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October 7, 1991

Discount Stocks Soar, Despite '91 Recession

Nationwide DSN Report

Discount stock issues have turned from frogs to princes since the first of the year.

With recession still taking its toll on consumer confidence, Wall Street expects shoppers to turn in even greater numbers to discounters over the next year and have bid up their stocks accordingly.

Since the end of 1990, stocks of 25 publicly traded discounters have soared 90% or more—19 of them more than 100%.

That group doesn't include the three largest discounters, Wal-Mart, Kmart or Target's parent, Dayton Hudson.

Ranked for its stock performance since the beginning of the year, Wal-Mart stood No. 30 on the list of discounters, with a gain of "only" 64%. Kmart stood No. 34, with an increase of 52%, while Target parent Dayton Hudson was No. 40, having a gain of 29.7%.

Those gains were two or three times the 14.84% gain in the Dow Jones Industrial Average. But they paled in com-

(Continued on page 91)

DSN Index Surges

	12/30/91	9/19/91	% Gain
DSN Index	1,218.77	2,176.38	78.57%
Value Line	195.99	241.08	23.01
NYSE Composite	180.49	212.74	17.87
Standard & Poor's	330.22	387.56	17.36
Dow Jones	2,633.66	3,024.37	14.84

Source: Nordby International

Alexander's Revamp Gains Speed

By Jill Lettich

NEW YORK — Alexander's is getting a two-year, $7 million facelift that began earlier this summer when point-of-sale scanning was rolled out to three unconverted units.

Even more important for the 12-store regional chain are changes in the store's approach to hard lines and the addition of a number of categories to the chain's merchandise mix.

These are the first significant signs of change since Stephen Goldberger joined this highly promotional department store retailer as president earlier this year.

Goldberger was formerly chairman of Hill's, but left that ailing Northeast chain in December of 1990. He joined Alexander's in June.

The changes, expected to be implemented through next spring, are taking three forms: alterations in the configuration of Alexander's selling floor; new fixturing; and an overhaul of the chain's merchandise flow system. Goldberger said the store's aim

(Continued on page 91)

ALEXANDERS

Alexander's, New York: Installation of POS scanning was the start of a two-year, $7 million renovation for the retailer. (DSN photo)

Valley Forge, Pa.: Best Products' new 'diamond' prototype is expected to be rolled out to about 15 stores a year for the next five years. (DSN photo)

Best Previews Its Look Of the Future in New 'Diamond' Prototype

By Richard Halverson

VALLEY FORGE, Pa. — An increased emphasis on jewelry in its new prototype is one aspect of Best Products' attempt to give its aging retail format a sharper image.

Along with establishing a dress code that requires appropriate business attire for women—no jeans, and a shirt and tie for men—no long hair or earrings—Best went to Disney to design a six-hour, employee training course on how to serve the public better.

Disney, of course, takes the approach that a retail store is a theatre and its employees are performers.

What that means is that each associate "takes care of the needs of customers and doesn't send them somewhere else," said Dick Riley, sales and marketing vice president.

Riley came up from Richmond, Va., headquarters one Saturday last month to videotape the new Best look so all 14,000 employees could see for themselves what's to come over the next five years.

Best "guarantees that customers will leave happy," Riley said during a tour of the newly renovated Valley Forge store prior to its grand re-opening Sept. 27.

The Valley Forge store, untouched and worn out since it

(Continued on page 92)

Kmart Stays on Road to Renewal

By Tony Lisanti

NEW YORK — The road to renewal for Kmart Corp., which began about two years ago with a new prototype and strategy, appears to be on course, quelling uncertainty and raising optimism among the financial community.

"The renewal and reinvigoration of Kmart is very much on target," chairman, president and ceo Joseph Antonini said in a speech last week to the New York Society of Security Analysts. "In fact, in this year's generally gloomy economic and retail environment, the Kmart story is filled with good news and good numbers."

Antonini, who last spoke to this influential group in 1988, expects about 700 of all Kmart stores will have the new prototype look by year-end.

He also said that he expects Kmart "to meet and to exceed" the sales goal of becoming a $50 billion company by 1995 with 30% of sales generated by the Specialty Retail Group. (The SRG includes Pace Membership Warehouse clubs, Waldenbooks, Builder's Square, Sports Authority and Pay Less Drug Stores.)

Despite surprise by some analysts interviewed, the original five year plan has not been revised.

Antonini said that Kmart is still committed to invest $2.5 billion to update all 2,200 Kmarts; to become more cutting edge, on-trend merchants, but not upscale; to form new, solid partnerships with customers, suppliers and communities, and to utilize the latest technologies (see story, page 2).

Antonini denied that the close to $1 billion raised recently from the sale of PERCS will be used to fund a major acquisition.

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MARKETWATCH

Kmart to Occupy Former Bloomingdale's

NEW YORK — Kmart has signed a lease for the old Bloomingdale's store located in the Fresh Meadows Shopping Center in the borough of Queens. It will be the company's second store in New York, joining an aging location in Staten Island. The location is 150,000 square feet on two levels. In addition to some 250,000 square feet of other retail space, mainly small shops, the site includes apartment buildings that contain 3,287 apartments.

Antonini to Deliver Keynote at Seminar

PITTSBURGH — Kmart chairman Joseph Antonini will deliver the keynote address opening QuickResponse 92, the retailing technology seminar and show that will be held March 17 to 18, 1992, at the Hyatt Regency Chicago hotel. Antonini, in his address, "Forming Quick Response Trading Partnerships: The Key to Maintaining a Competitive Edge," will discuss how QR partnerships aid retailers and vendors. QR 92 is co-sponsored by AIM USA and VICS, with info available from AIM, (800) 338-0206.

Wal-Mart Seeks Approval for Sam's Site

MEDFORD, N.Y. — Wal-Mart is seeking planning board approval for its first Sam's Club on New York's Long Island. The 134,900-square-foot warehouse club would be built here on 19 acres, with space for an adjacent Wal-Mart. Price Club has two clubs on Long Island, and BJ's is seeking approval for its second club there. Pace Membership Warehouse doesn't have any current plans to open on Long Island, but has clubs set for metro New York in White Plains, N.Y., and Paramus, N.J., which is also getting a Sam's next year. Also in New Jersey, Wal-Mart has signed a lease for a 145,000-square-foot building in East Brunswick for either a Sam's or a discount store.

IBM Develops New Plug'N'Go Software

WHITE PLAINS, N.Y. — IBM and its software vendors have developed software programs called Plug'N'Go for specific businesses and applications that are installed as part of the operating system in IBM's new low-cost entry model Application System/400 business computer. Retail Interact, based in Sacramento, Calif., has developed The Basic Retailer Plug'N'Go, that enables a single or multistore retailer to manage its operation right after starting up the computer.

Directory Offers Disaster Recovery Info

NEWTON HIGHLANDS, Mass. — Retail Systems Alert and The Systems Audit Group have issued an 85-page directory listing hundreds of companies that provide disaster recovery services and equipment for retailers' information systems departments. The companies and services include renting equipment and mobile space, recovery of data from damaged disks, firms specializing in disaster clean-up, guard services and training companies. The directory can be ordered from Retail Systems Alert, (617) 527-4626.

TJX Eyes Increasing Zayre Reserves

FRAMINGHAM, Mass — TJX Cos. said it may have to increase reserves already set aside to deal with the aftermath of the Zayre/Ames sale. TJX still holds leases on a number of Zayre stores. A real estate slump may require additional reserves of between $20 million and $70 million, according to industry estimates. TJX confirmed it was a possibility, but a spokesman emphasized that "at this point we cannot assess whether or not it will be necessary. There are many unknown factors." TJX is the parent of T.J. Maxx, Hit or Miss, the Chadwick's of Boston catalog and the Winners Apparel chain in Canada. TJX Sales for the 30 weeks ended Aug. 31 increased 13% to $1.5 billion.

FOR THE RECORD

In a recent article about the accelerating pace of Bradlees store remodeling program, *DSN* erred in stating that the chain had closed the first two remodeled stores during renovation. In fact, Bradlees kept open both of the stores, Bordentown, N.J. and Broomall, Pa., doing most of the construction at night.

Natural White, a tooth whitening product from Nuna International Corp., is manufactured in the United States, with about 95% of its distribution in the United States. Though Nuna is based in Aurora, Ontario, Canada, Natural White was misidentified as a Canadian brand in the Sept. 2 issue of *DSN*.

Ex-Target Execs Join Rose's

New Chain President Brings Freeman, Byers on Board

HENDERSON, N.C. — George Jones, recently named president and chief executive officer of Rose's Stores, has brought on board two of his former Target colleagues.

Kevin Freeman is now senior vice president of store operations at Rose's, and Phil Byers is the chain's director of real estate. Like Jones, both men were previously with Target stores. Freeman left his post as senior vp, regional operations in the Minneapolis area, the chain's largest region with 117 stores and combined annual sales volume of $2.5 billion.

Byers had been national property manager for the discount giant.

Rose's, which has faced rising pressures from creditors and apparel factoring companies to arrive at a plan of action that would turnaround soft sales and tumbling profits, has been closing stores and realigning management since the start of the year. Rose's now operates 232 stores in 11 Southeastern states.

Kmart Tests Customer Tracking System

By Arthur Markowitz

TROY, Mich. — Kmart chairman Joseph Antonini's commitment to using the newest technology to improve the discounter's operations has resulted in the chain becoming the first retailer to test an innovative system that tracks customer traffic within a store.

The discounter is now conducting a two-month test of the technology, the ShopperTrak system developed by Datatec Industries, in its Westwood, N.J., store.

The ShopperTrak technology, which is awaiting patent approval, uses infrared light to capture movement through a designated area like a store's entrance or a department. The technology can differentiate customers from shopping carts and can even determine the height of the shopper to identify an adult or child.

The standalone system, which doesn't interfere with store traffic, uses small unobtrusive overhead sensors that contain just three components—an optics, a logic and a collection section.

Datatec president Christopher J. Carey said Antonini read about ShopperTrak in *BusinessWeek* and had Kmart's Corporate Information Systems department arrange for the test. Payless Shoe is also planning to test the technology, he said, and discussions are underway with other retailers.

"Fast, efficient customer service is the primary reason Kmart is testing this new technology," Antonini said.

The pilot program, to run through mid-November, will track the number of customers entering the store and where they go—down the central promotional aisle or to the right soft lines area or left hard goods section.

At least 11 infrared sensors, eight that are mounted at the entrance and one in each of the three main aisles, will be used to capture this information.

Datatec will also manually count customers entering the store at various times to gauge the technology's accuracy.

Based on the current test, Kmart will then decide on whether to expand the effort by mounting sensors in individual departments to obtain specific information on shopper traffic in each area. This step would like take place next summer.

The initial effort costs about $50,000, shared by the two companies. A primary sensor costs $1,000 on a single unit basis, and it can control up to 16 secondary units, which cost

(Continued on page 92)

DSN, Deloitte & Touche Plan Mexico Study Tour

NEW YORK — A special study tour and seminar on the opportunities for business growth in Mexico has been announced by *Discount Store News* and Deloitte & Touche, co-sponsors of the event. It will be held Feb. 21 and 22, 1992 at the Westin Camino Real in Mexico City.

The program, created exclusively to inform top executives from U.S. retailers and manufacturers about the growth potential in Mexico, will include store and factory tours, an overview of Mexican retailing, the economic outlook and the political environment in Mexico.

For reservations and more information, contact: Tony Lisanti, (212) 756-5105 or by fax (212) 756-5125.

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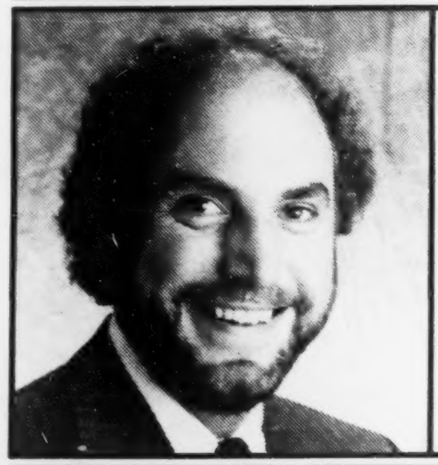
EDITORIAL

Learning to 'Give Something Back'

'Giving something back makes all of us better."

I don't expect every reader to know the origin of this quote, but this statement not only exemplifies an important dimension of the discount industry often overlooked, it should also have a special meaning to everyone.

While it's the theme of Kmart's 1990 community service program, it also represents hundreds of examples of community involvement among discount retailers nationwide. *DSN* estimates that discount retailers raise over $1 billion annually for a wide variety of projects that range from United Way to Invent America! to Toys for Tots.



TONY LISANTI
Editor

It's important sometimes to forget for a minute the pressure to boost sales per square foot or open a new store. To forget for a minute the challenge to reduce, shrink or speed up processing at the check-out lines. To forget the frustration to minimize employee turnover or maintain a strong daily in-stock position.

Instead, I encourage everyone to think about another aspect of the retail business. Think about the communities you serve. Think about the customers who shop your stores. Think about the poor, the needy, the homeless, the handicapped, the illiterate. Think about the children, the elderly, the families. Think about all the people you can help. Think about what you can give back.

With its annual sponsorship of the DISC (Discounter in Service to the Community) Award, *DSN* recognizes every retailer that has given something back to the communities they serve. Begun in 1979, the DISC Award is the only industrywide award of its kind. And this year *DSN* has expanded the DISC program in order to honor more retailers who deserve to be recognized for their community service efforts.

For the first time, *DSN* has established three DISC categories based on overall sales volume: more than $1 billion; $500 million to $1 billion; and less than $500 million.

The criteria for the DISC Award includes: breadth and scope of programs; corporate participation; individual participation; store level promotions; cooperation and support of community; development of special events; and creativity of special promotions. Judges rate each entry based on a point scale, and the retailer scoring the most points in its respective category is selected as a recipient of the DISC Award.

This year's recipients—as announced on page 14—are:

- **Over $1 billion Category—Kmart**. The Troy, Mich.-based discounter, with the highest overall score, lived up to its slogan. Its programs were diverse and creative, and more importantly, made a difference in the lives of thousands of people throughout the United States.
- **$500 million to $1 billion category—Dollar General**. Described as the "department store for America's poor," this chain has become a champion of the undereducated. Inspired by its founder Cal Turner Jr., Dollar General has created and supported a variety of educational programs such as GED/Learn to Read and Project Pencil.
- **Under $500 million category—Alexander's**. This small, regional discounter, whose flagship store is across from Bloomingdale's in New York, created The Retail Academy. Its purpose was to give high school students information about retailing and prepare students for employment.

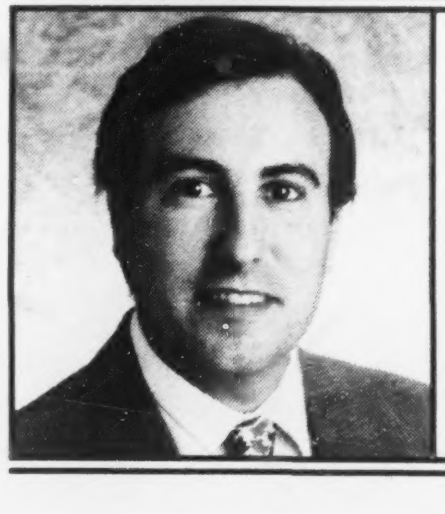
Congratulations to Kmart, Dollar General and Alexander's. And congratulations to every retailer who has taken the time to "give something back."

BUYERS & SELLERS

Discounters Well Set to Capitalize on Recovery

The stock prices of public retail companies have been climbing like crazy since the first of the year. Nineteen public discount retailers tracked on *DSN's* stock analysis table have seen their price per share more than double in the past nine months (see story, page 1). Clearly, Wall Street analysts expect recession-weary shoppers to turn to discount stores in greater numbers.

There's no faulting their logic. In fact, I agree that eventually—i.e., when the recession is really over—discounters will be the main beneficiaries. But so far, according to retailers I've spoken with, there's been little evidence of any significant upturn in consumer spending at discounters, or at any retailers for that matter. Sales have been soft, and that's against not very difficult comparisons from a year ago.



DON LONGO
Exec Editor

Nevertheless, the run-up in discount retail stocks since January has been phenomenal. 50-Off Stores, the Texas-based off-price apparel chain, was up 500% during the period between Dec. 31, 1991, and Sept. 19, 1991. Imagine if you had purchased 100 shares of the stock in December for $575. Your investment would have grown to $3,450, in just nine months!

Best Buy and The Good Guys, each representing distinctly different ways of retailing consumer electronics products, gained 333% and 230%, respectively.

Venture is flying high since its spinoff from the May Department Store company, and Office Depot appears to be shaping up as the Wal-Mart of the office supply megastore industry.

What happened to Wal-Mart's stock price? Most analysts consider the company to be a core holding in any retailing portfolio. Well, 29 discount retail stocks have climbed higher, in percentage, this year than the Bentonville, Ark., giant. But don't start feeling sorry for all those retired Wal-Mart associates in small towns living on the paper they accumulated through their employee stock purchasing program. Wal-Mart stock has climbed 64% since January, a nice return on any investment.

Perhaps if Donald Trump had invested in discount retail stocks instead of casinos and airlines, he wouldn't have to shop at Kmart for his son's school supplies. Then again, maybe Kmart is really making headway in its effort to upgrade its image. Chairman Joe Antonini certainly sounded upbeat during his presentation to security analysts in New York last month. It's heartening to hear that the discounter is right on track with its remodeling program. And, speaking of stock price gains, Kmart has seen its own stock climb a Wal-Mart-esque 52% in 1991.

Another indication that Wall Street's optimism in discounters is well-placed: plans for a luxury mall on New York's Long Island featuring new Nordstrom and Neiman-Marcus department stores have been scrapped in favor of a scaled down shopping center featuring a Price Club.

The new plans for the center, owned by Fortunoff, the home furnishings department store, speaks volumes about the state of Long Island's retail climate in particular, and consumer spending in general. A civic association official summed up the reasons for the change in plans. "The surrounding community would rather have a mall where they could shop, not look."

When consumers are ready to stop looking and start shopping, discounters will be ready.

LETTERS TO THE EDITOR

Dear Editor:

Again, congratulations on the outstanding dinner that you and your fine firm hosted in Chicago for all of us. We particularly appreciate your honoring David Glass and our associates.

I hope everything is going well with you. We appreciate your very fine publication and the excellent job you all are doing with *Discount Store News*.

Keep up the good work! Best wishes.

Sam Walton
Chairman of the Board Wal-Mart

Editor's note: David Glass, along with five Wal-Mart associates, were honored as Discounter of the Year at *DSN*'s 14th annual SPARC (Supplier Performance Awards by Retail Category) banquet in August.

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Upper-Tier Partnerships

Top Chains are Editing Their Vendor Lists; the Big Get Bigger and Grab Larger Market Shares

The year in mass market home furnishings was marked by strong showings from the No. 2 and No. 3 brands in most categories, according to discount store managers polled by Chicago-based Leo J. Shapiro and Associates for *HMT*. As discounters have consolidated their hold on the market, they have also moved toward high-volume partnerships with major vendors, pruning their departments of third-tier brands and turning that business over to their top echelon suppliers.

This is the first year in which RTA furniture, tabletop and window treatments were broken out of the domestics category, so historical data is not available. However, the trend toward a "Big Three" in each category was very clear. Top discounters, most of whom now rely on electronic data interchange and just-in-time delivery, are looking for suppliers who can meet their electronic inventory management needs, generally the most technologically advanced of vendors.

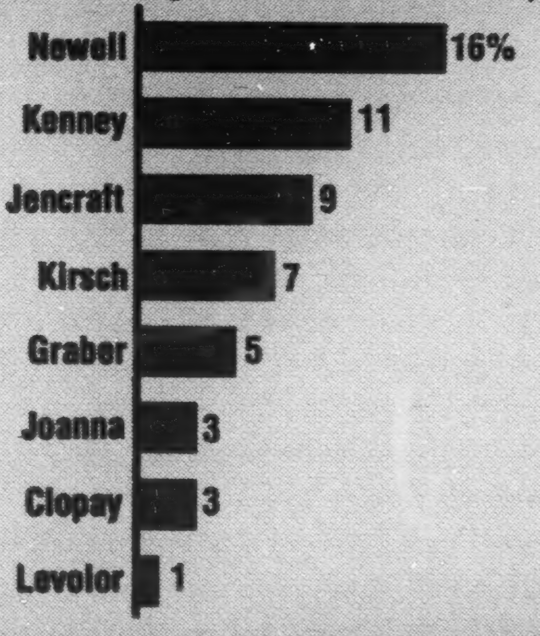
This is appropriate, as the home furnishings industry (particularly Milliken Inc.'s Roger Milliken) was an early proponent of EDI standards that have made these new partnerships possible.

In the bed & bath market (see story, *DSN*, this issue, page 13), the bulk of the business has clearly settled with the Fieldcrest Cannon group of companies, WestPoint Stevens divisions, and to a lesser extent, the Springs family of mills. Cannon, the perpetual No. 1 among store managers in past surveys, held onto its top perch handily, even adding to its rating, but both Stevens and WestPoint Pepperell made significant inroads. Of all mentions, Cannon was mentioned by two-thirds of managers, while Stevens and Pepperell were each named by about one of five managers. Cannon's St. Mary's division was named by about one of eight managers, and Springs and its subsidiaries were noted by one in ten respondents.

As mentioned, this is the first year window treatments were considered separately from the domestics department as a whole. Still, there were no surprises here. In the past, Newell, Kenney and

Window Treatments

(Percentage of Total Mentions)



Source: Leo J. Shapiro/DSN

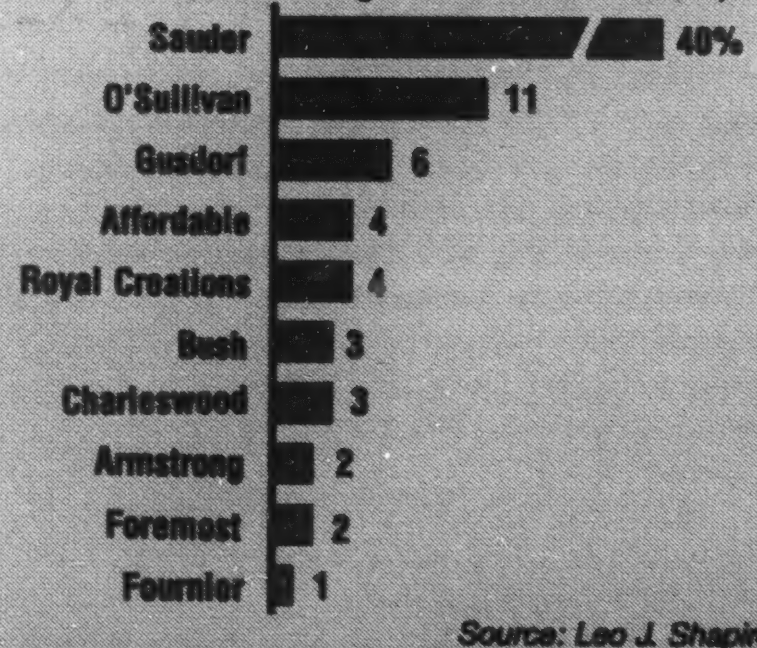
(Mentions by Chain)

Kmart	Wal-Mart	Target
1. Graber 2. Newell 3. Jencraft 4. Kirsch 5. Clopay 6. Levolor	1. Jencraft 2. Newell 3. Kenney	1. Kirsch 2. Clopay 3. Kenney

Source: Leo J. Shapiro/DSN

Ready-to-Assemble Furniture

(Percentage of Total Mentions)



Source: Leo J. Shapiro/DSN

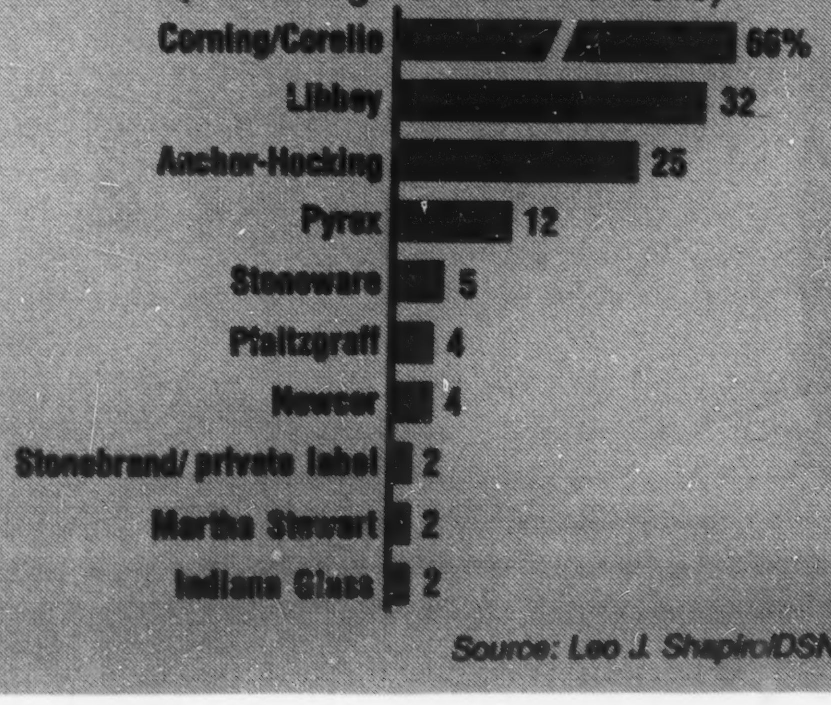
(Mentions by Chain)

Kmart	Wal-Mart	Target
1. Sauder 2. Gusdorf 3. Bush 4. Foremost	1. O'Sullivan 2. Sauder 3. Royal Creations 4. Armstrong 5. Affordable 6. Foremost 7. Gusdorf	1. Sauder 2. O'Sullivan 3. Affordable

Source: Leo J. Shapiro/DSN

Tableware

(Percentage of Total Mentions)



Source: Leo J. Shapiro/DSN

(Mentions by Chain)

Kmart	Wal-Mart	Target
1. Corning 2. Libbey 3. Anchor-Hocking 4. Pyrex 5. Pfaltzgraff 6. Newcor 7. Martha Stewart 8. Stoneware	1. Corning 2. Libbey 3. Anchor-Hocking 4. Stoneware 5. Newcor 6. Store Brand 7. Indiana Glass 8. Pyrex	1. Corning 2. Libbey 3. Anchor-Hocking 4. Stoneware 5. Pyrex 6. Store Brand

Source: Leo J. Shapiro/DSN

Top Chains Edit Vendor Lists

Kirsch would routinely gain mentions from store managers as top performing brands, although never enough to break into the Top 10 overall.

Not too surprisingly, these three were among the Top 5 when managers were asked to consider only window products. Jencraft (No. 3) and No. 5 Graber also made strong showings, but Newell and Kenney are a very potent one-two. Newell was very strong at both Kmart and Wal-Mart and was even stronger at regional discounters, while Kenney's strength came from Kmart and regional upscale discounters. Jencraft was a strong No. 1 with Wal-Mart managers.

Kirsch owes its showing to overwhelming support from Target managers, over half of whom named the company as a top performing brand, easily the top performance of any window brand at any chain. Graber, similarly but in far less spectacular fashion, was strongly favored by Kmart managers.

Clopay owed its No. 7 ranking to Target managers, nearly a third of whom named the brand.

There was very little regional variation among the brands, perhaps predictable since all are national presences. The only spike showed in the Northeast, where Kenney and Newell were both much stronger than in other areas of the country.

While Corning, along with its Corelle and Visions product lines, was a very easy winner in the poll, No. 2 Libbey was mentioned by a third of the managers polled, and Anchor-Hocking was mentioned by about 25% of them. Only one other brand, Pyrex, received as much as 10% of mentions.

Corning was strong across the board among discount managers, with a slightly higher mention rate at Kmart. Libbey, too, was rated evenly by Kmart, Wal-Mart and Target managers, with a slightly higher rating from Wal-Mart. Anchor-Hocking, similarly, varied by only a percentage point or two at the big three, but performed rather poorly at upscale discounters other than Target.

Pyrex was strongly favored by Kmart managers in comparison to other chain managers, while Martha Stewart, predictably, was mentioned only by those same Kmart managers.

Regionally, only Pyrex deviated from a statistically even distribution, with strong performance in the Northeast compared to other regions.

Sauder simply blew away its nearest competitor, O'Sullivan, and the Top 3 brands (Gusdorf the other) accounted for a disproportionate percentage of total mentions, even in light of the ongoing condensation of vendors at discount stores. More than four of 10 discount store managers named Sauder as a top performer; O'Sullivan was mentioned by only a bit more than one in 10.

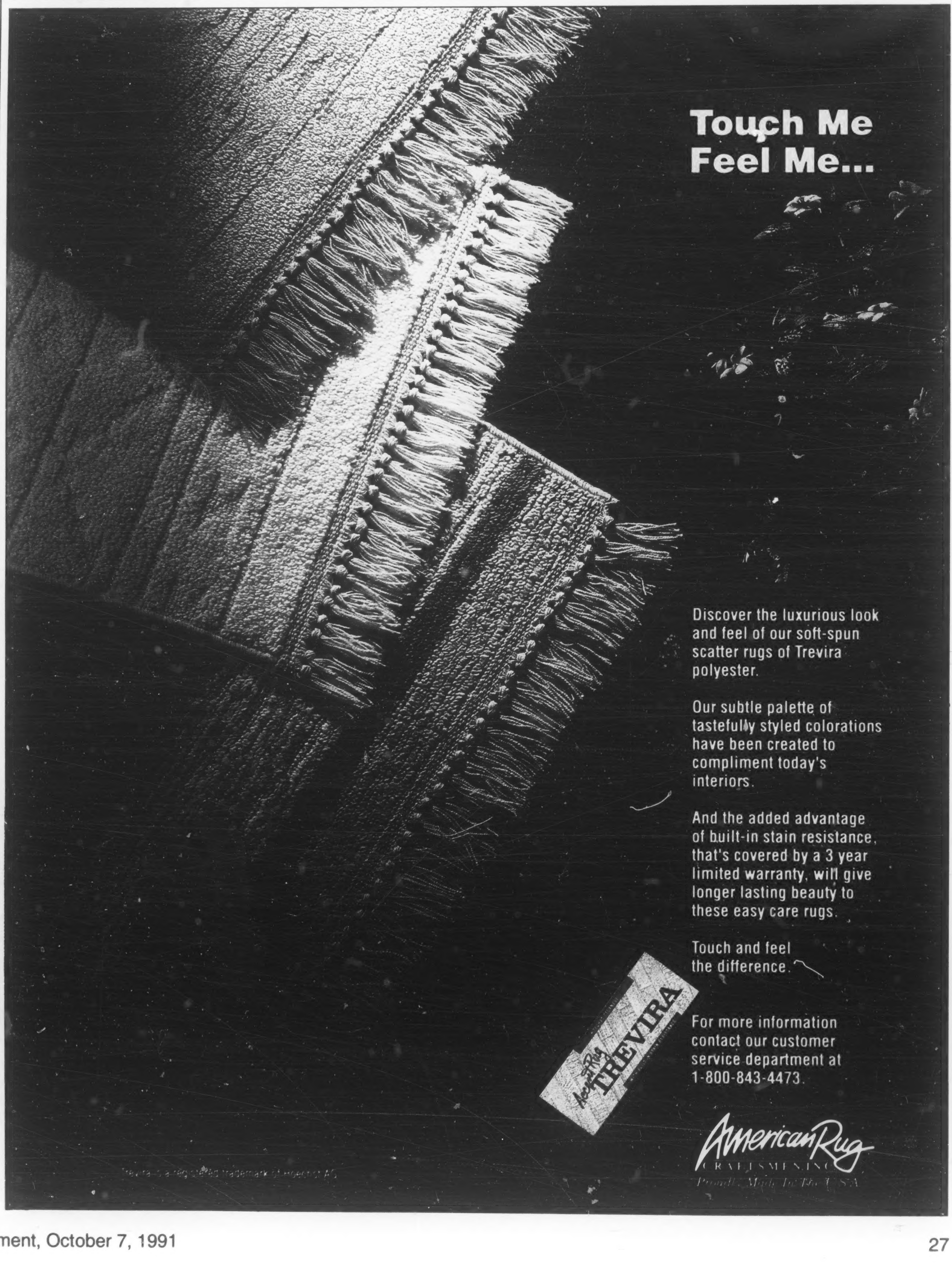
After that, such popular and well-known brand names as Charleswood, Bush, Armstrong and Royal Creations received barely a mention.

Unlike other categories, there were significant spikes in support chain-to-chain, even at the upper end. Kmart, for instance, mentioned Sauder, Gusdorf and Bush far more often than did other chains. Wal-Mart, on the other hand, mentioned Royal Creations much more than average, and along with Target, were very supportive of O'Sullivan.

Target managers were almost as enthusiastic about Sauder as Kmart managers, but after the Top 3, other brands were rarely mentioned. Affordable and Foremost received most of their mentions from upscale discounters other than Target.

Regionally, ready-to-assemble furniture seems to be a top performer in the Northeast and North Central regions, with far lower mention rates in the South and West. Specific brand mentions followed that pattern, with only a few deviations. Gusdorf was mentioned frequently by West Coast managers.

Only one brand performed significantly better at upscale discounters than at traditional discounters; Sauder was mentioned by over half of upscale managers, compared to a little over a third of traditional managers. ■



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TOP BRANDS

Part I: Store Manager Survey

Brand Offerings Stabilize As Partnerships Blossom

Discounters relied on fewer, but increasingly dominant national brands to drive their business in 1991.

According to the results of *DSN's* 1991 Top Brands Survey of retailers, brand offerings stabilized slightly, with more than half the retailers surveyed reporting that the number of national brands they carry this year is the same as a year ago.

Only 43% of retailers surveyed said that they are carrying more national name brands this year than a year ago, compared to 48% who had increased brand name presence last year.

(Continued on page 47)

Where Brand Names Are Growing

Percent of store managers reporting increase in number of name brands carried by department

Department	1991	1990	1989	1988	1987
Health & Beauty Aids	18%	21%	17%	21%	21%
Housewares	17	15	14	23	24
Consumer Electronics	10	7	8	5	5
Hardware	9	9	14	9	8
Sporting Goods	8	5	3	10	11
Men's Apparel	8	15	14	15	11
Ladies' Apparel	6	18	16	13	10
Food, Candy, Snacks	5	3	1	5	2
Household Chemicals	5	7	7	7	NA
Cosmetics	4	4	4	7	10
Small Appliances	3	6	NA	4	1
Appliances	3	1	6	3	4
Toys	2	5	2	2	4
Automotive	2	5	5	4	6
Photo, Camera	1	1	1	1	1
Domestics	1	3	3	2	3
Children's Apparel	1	5	4	6	3
Stationery	NA	1	1	2	NA

NA—Not available

Source: Discount Store News/*Leo J. Shapiro & Associates*

National Survey Reveals Store Managers' Top Performing Brands

Automotives *79*
Pennzoil
Havoline
Prestone

Children's Apparel *55*
Fisher-Price
Lee
Wrangler

Consumer Electronics .. *59*
Emerson
General Electric
Sony

Cosmetics *57*
Maybelline
Cover Girl
Revlon

Domestics *63*
Cannon
J.P. Stevens
Pepperell/Lady
Pepperell/Westpoint

Food, Candy, Snacks ... *89*
M&M/Mars
Frito-Lay
Planters

Greeting Cards *74*
American Greetings
Ambassador
Gibson

Hardware *83*
Stanley
Black & Decker
Glidden

Health & Beauty Care .. *73*
Crest
Colgate
McNeil Labs

Household Chemicals .. *66*
Tide
Clorox
Windex

Housewares *61*
Rubbermaid
Black & Decker
Procter-Silex

Ladies' Apparel *51*
Gitano
Hanes
Lee

Men's Apparel *53*
Wrangler
Fruit of the Loom
Hanes

Personal Care *64*
Conair
Norelco
Vidal Sassoon

Photo, Camera *68*
Kodak
Canon
Polaroid

Sporting Goods *77*
Coleman
Wilson
Zebco

Stationery *74*
Mead
Bic
Stuart Hall

Toys *85*
Fisher-Price
Mattel
Playskool

Discount store managers nationwide named their best performing brands in 18 merchandise categories, in a poll conducted for Discount Store News by Leo J. Shapiro & Associates.

TOP BRANDS

Part 1: Store Manager Survey

Partnerships Stabilize Brand Offerings

(Continued from page 41)

Of the three largest discount chains, Kmart managers reported the greatest increase in name brands, with 56.7% noting such an increase over last year. Forty-two percent of Wal-Mart managers said their stores are stocking more national brands, while only 31.1% of Target managers said their stores featured more name brands than a year ago.

In a number of product categories, brand name growth has peaked. In men's apparel, only 8% of respondents reported that they are carrying more name brands than a year ago, compared with 15% who reported an increase in 1990. Ladies' apparel dropped from 18% to just 6% reporting an increase in 1991. Household chemicals, small appliances, toys, automotives, domestics, and children's apparel also appear maxed out on brands: all showed fewer managers reporting increases in name brands in 1991.

Even health & beauty care, which had the highest percentage of managers reporting an increase in national brands carried, was off from its year ago increase: 18% in 1991 vs. 21% in 1990.

Among the handful of departments in which the number of national name brands increased were: housewares (17% compared to 15% in 1990), consumer electronics (10% vs. 7%), and food, candy and snacks (5% vs. 3%).

The growing trend toward partnership with key vendors gathered steam in the past year. Survey results seemed to verify that discount store chains edited their vendor lists in nearly all departments. Seeking manufacturers who can keep up with their velocity driven businesses, mass merchants increasingly sought out only the largest suppliers, and those who can offer a full line of products.

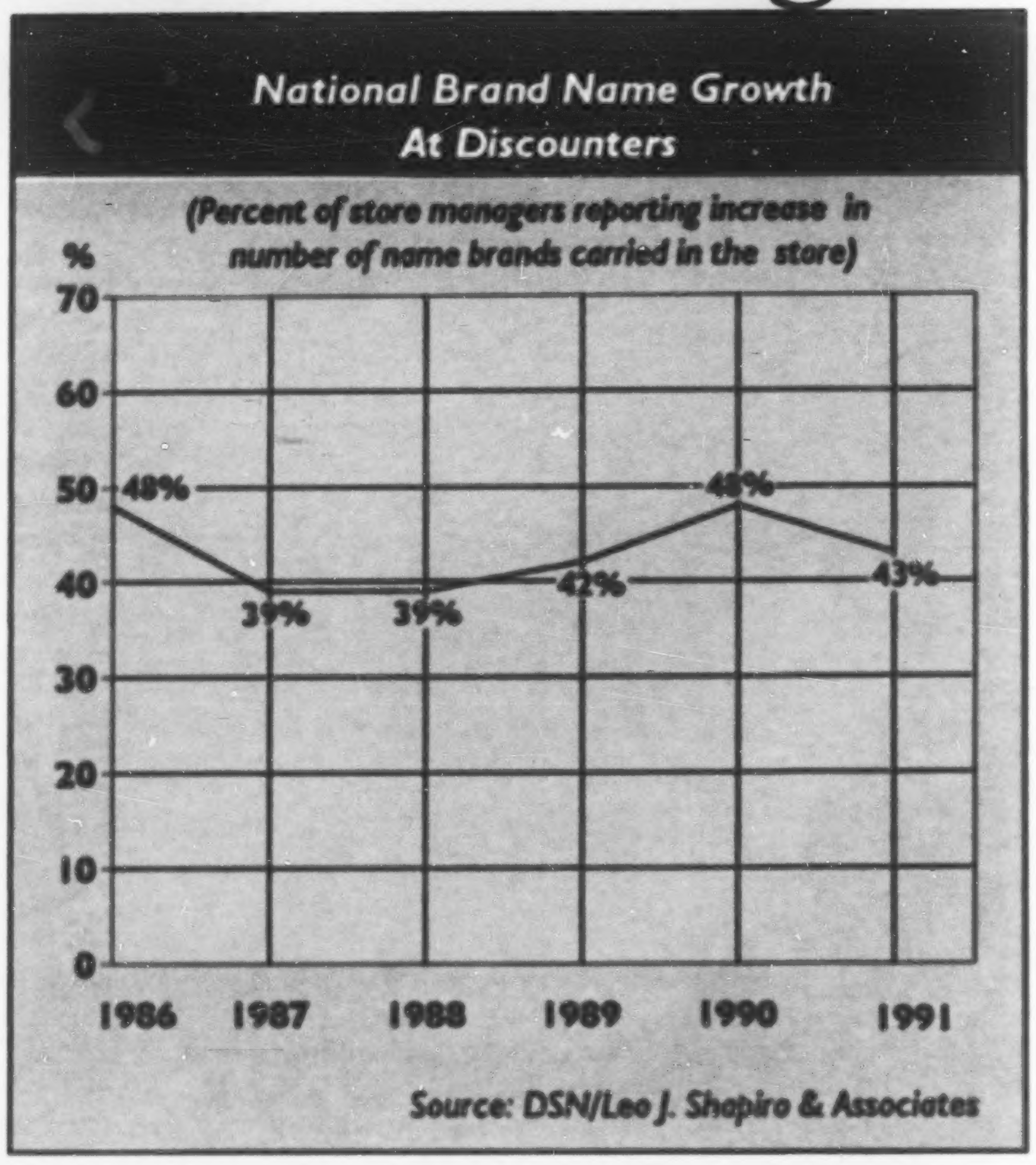
That trend was evidenced in a number of categories, most notably, Rubbermaid in housewares, Stanley and Black & Decker in hardware, Kodak in photo, Pennzoil in automotives, Mead in stationery, Wrangler in men's apparel, Gitano in women's, Conair in personal care appliances, Maybelline in cosmetics, Cannon in domestics, Tide in household cleaners, and American Greetings in greeting cards.

Yet, while the larger, dominant brands in most cases remained that way, in the eyes of discount store retailers, there were many departments in which relative brand positioning shifted. For example, in hardware, Stanley regained the No. 1 spot from Black & Decker. In photo and camera, both Canon and Polaroid gained on Kodak. Mattel closed in on Fisher-Price in toys. Emerson took the lead from General Electric in consumer electronics while both Sony and Panasonic passed RCA. In automotives, Quaker State was overtaken by Havoline and Prestone. Stuart Hall moved up to third in the stationery department and Igloo moved up to fifth in sporting goods after two consecutive years out of the Top 10. And, Hanes overtook Lee for second in ladies' apparel.

The 1991 Top Brands Survey: Part I is the result of interviews with store and department managers at 300 discount stores across the country. Conducted in July, retailers were asked to name the best performing brands in 18 product categories.

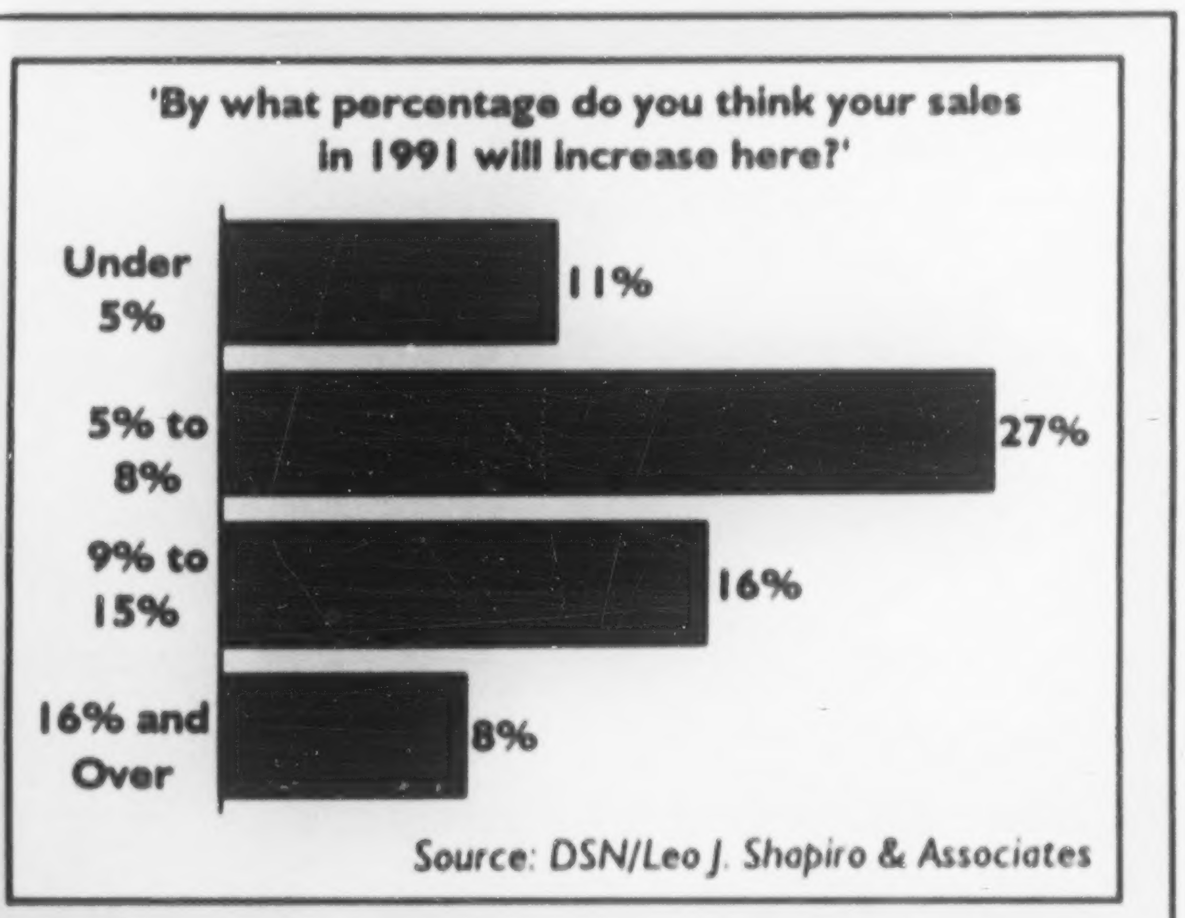
Part II of the survey, which will appear in the Oct. 21 issue of *DSN*, will report on the most preferred brands by product category of discount store shoppers. The results are based on a national sample of 900 consumers. The issue will also feature the inaugural listing of the 34 "Power Brands" of discount retailing for 1991. These are brands from 18 categories of merchandise that achieved a combination of high recognition by discount store retailers and high acceptance by the consumer.

Both the retail and consumer studies, as well as the special Power Brands report, were conducted by Leo J. Shapiro & Associates, Chicago, exclusively for *DSN*.


National Brand Name Growth At Discounters

(Percent of store managers reporting increase in number of name brands carried in the store)

Source: DSN/Leo J. Shapiro & Associates


'By what percentage do you think your sales in 1991 will increase here?'

Source: DSN/Leo J. Shapiro & Associates

Store Managers Optimistic About '91 Sales Outlook

Discount store managers are optimistic about sales in this recession year. Eight out of 10 discount store managers surveyed said they expect sales at their store to be higher this year than in 1990. It appears discounting continues to weather the recession better than other forms of retailing.

Discounters in the South (88.2%) and West (86.3%) were notably more optimistic than their counterparts in the East (82.9%) and North Central regions of the country. Among the major chains, Wal-Mart managers were the most optimistic, with 94% predicting that sales in their store would be higher this year than in 1990. About 80% of managers at both Kmart and Target thought they would generate a sales increase in 1991. The mean percentage increase reported by all store managers was 10%.

TOP BRANDS REPRINTS

PART I: Top Brands Study: Store Manager Survey
Oct. 7 Issue Features Store Managers' Ranking of the Top Performing Brands In Each of 18 Product Categories

PART II: Top Brands Study: Consumer Survey
Oct. 21 Issue Features Discount Store Consumers' Preferences for Name Brands In Each of 18 Product Categories and Exclusive Power Brands Report

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Bold Marketing Helps Gitano Grab Lead Again

Gitano, which recently announced that it was embarking on a multi-million dollar advertising and promotional campaign through 1992, benefitted from its strong marketing strategy in 1991. It maintained its leadership position in the latest Top Brands Survey of ladies' apparel brands.

For the fourth year in a row, Gitano was the top performing women's wear brand, according to conventional and upscale discount store retailers. However, Hanes, Lee and Chic closed the gap.

Overall, 40% of the store managers queried mentioned Gitano as a top performer. Hanes was second, but with a much smaller percentage, 24%. Lee received 23% of total mentions in the survey.

As in other apparel categories, the Top Five brands overall recorded more mentions than in previous studies.

Target stores' Merona label is the latest addition to the top brands chart, on which a total of 29 different labels were named. Its appearance alongside other store brands, albeit not in the Top 10 yet, affirms the efforts all discounters have been making in differentiating their merchandise mix and their stores.

The ladies' area is the only apparel category in the survey where private label brands have made such an impact.

Store managers at the nation's top three discounters gave high marks to each of their private label brands.

At Kmart, the Jaclyn Smith line is ranked No. 1 in ladies' apparel by its store managers, and was mentioned by 35% of the store managers. This past year, the retailer began offering the line in petite sizes, further expanding the label's customer base.

Wal-Mart managers rated its Bobbie Brooks line No. 3 among top brands at its stores. A full 24% of Wal-Mart store managers referred to it as among its top performers, compared to 60% for Gitano and 26% for Hanes.

At a rate of 60% of mentions, Gitano fared much better at Wal-Mart than at other discounters.

Target managers placed the new Merona label at No. 4 among top brands in their stores. It garnered 24% of the brand mentions by Target managers, trailing Lee, Gitano and Chic. Merona, acquired by Target from Oxford Industries, is less than a year old, but already had an established image when Target brought it in-house, cutting down the time needed to establish a new line.

"We're anxious to make it a success," said Warren Feldberg, president, Target Stores. "We're pleased that our store managers feel good about it. As with any new line, there were some things that worked and some that didn't. Going forward, we want to continue to improve the line."

According to the survey, Merona is doing equally well in the men's and women's areas. While history would dictate that it would fare better in women's, the strong consumer recognition may make it a real winner in men's.

"Any time you acquire a brand, you take the good and the bad with it. Obviously, Merona came with a lot of good behind it," said Feldberg.

The more established private label brands at Kmart and Wal-Mart had enough total mentions to make the overall Top 10 list as well. Further efforts by Target may work toward increasing Merona's importance in Target Stores and move it up the overall chart in the coming years.

The Jaclyn Smith and Bobbie Brooks labels showed up further down the Top 10 chart than last year. But this was not a reflection on the brands themselves. Overall, a greater number of brands were cited as important in the category according to store managers. Individual stores stood as firmly behind their store brands as they did last year.

Feldberg pointed out, however, that efforts to nurture a private label line should not supercede the goal of a balanced merchandise mix.

"Merona is one piece of a stable of apparel lines at Target. Each has its own positioning and audience. We are fortunate that with Merona we have a very high quality, updated apparel line," he said.

Because 1991 was a slow economic year overall, the success of a number of basic apparel brands was not surprising. Shoppers spent money more readily on necessities than on luxuries. Three of the companies mentioned on the Top 10 are manufacturers of underwear and foundation garments: Hanes, Fruit of the Loom and Playtex. Hanes made a big jump in the chart this year. Last year, 15% of store managers mentioned it. This year, it grabbed 24% of mentions.

Fruit of the Loom also moved forward with gusto. In 1990, 6% of the managers named it as a top brand. This year, its share of mentions was up to 18%. Its strength came primarily from conventional discounters.

Playtex had dropped off the Top 10 chart last year, but was in good form for 1991. Levi's also made a comeback even though it doesn't sell its Levi's brand directly to discounters.

Ladies': Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Gitano	59%	50%	39%	10%
Hanes	41	18	26	22
Lee	45	19	28	8
Chic	16	17	30	16
Fruit of the Loom	33	18	17	11
Jaclyn Smith	—	6	14	13
Playtex	19	5	10	10
Levi's	—	5	10	16
Bobbie Brooks	—	13	5	—
Wrangler	2	7	7	2

Source: Discount Store News/Leo J. Shapiro & Associates

Ladies': How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Gitano	20%	60%	44%
Hanes	23	26	13
Lee	8	12	49
Chic	10	22	44
Fruit of the Loom	13	18	13

Source: Discount Store News/Leo J. Shapiro & Associates

Ladies': Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	1991	1990	1991	1990	1991	1990
Gitano	40%	44%	40%	42%	46%	53%
Hanes	24	15	23	15	29	15
Lee	23	19	21	17	35	30
Chic	21	16	20	16	29	17
Fruit of the Loom	18	6	18	5	20	13
Jaclyn Smith	9	13	11	15	—	—
Playtex	9	3	8	2	13	8
Levi's	9	3	8	3	7	—
Bobbie Brooks	7	9	8	10	—	—
Wrangler	6	8	6	8	6	6

Source: Discount Store News/Leo J. Shapiro & Associates

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Top 4 Underscore Brands' Importance

Men's: Top Brands Vary by Type of Outlet

Brand	All Discounters 1991	All Discounters 1990	Conventional Discounters 1991	Conventional Discounters 1990	Upscale Discounters 1991	Upscale Discounters 1990
Wrangler	34%	29%	34%	30%	38%	26%
Fruit of the Loom	32	30	30	28	42	36
Hanes	28	24	27	24	34	24
Lee	26	22	22	20	42	36
Levi's	12	9	10	9	13	10
Bugle Boy	10	1	11	1	4	4
Gitano	9	9	8	8	14	14
Rustler	9	8	9	8	7	10
Brittania	7	8	5	5	18	26
Manhattan	5	3	5	3	1	1

Source: Discount Store News/*Leo J. Shapiro & Associates*

Bugle Boy, a line that has always defined itself as a department store label, appeared for the first time on the Top 10 list of top performing men's wear brands in a survey of discount store managers.

Apart from this anomaly—Bugle Boy made it to No. 6—the list mirrored the results of 1990 very closely with few surprises. As in 1990, the top four brands scored highest among the managers and outpaced the remaining six labels by a wide margin.

The phenomenon of the strong top four has existed in the men's market since the Top Brands Survey was instituted. In the last four years, the percentages have been spread more evenly among these labels—a result of the growing importance of brands in the men's market.

Some of the more impressive percentages come from adding brands together in a corporate profile. VF Corp's Wrangler, Lee and Rustler brands added up to 59% of total store manager mentions.

Levi Strauss' Levi's and Brittania added up to 19% of total mentions for the two jeans labels.

According to the current survey, of all apparel areas, men's was named most often as a department that increased the number of brand offerings. About 8% of those surveyed said the number of brands in their men's department had increased.

Sportswear remains what discounters do best. The reappearance of Manhattan on the list gave points to tailored clothing, but Reed st. James, Botany 500 and Arrow were the only other brands on the list offering tailored clothing and sportswear.

The bulk of the top performing brands were jeans, underwear or fleece manufacturers.

Underwear brands mentioned on the survey—Hanes, Fruit of the Loom and BVD—show the continuing emphasis on basics.

Wrangler (with 34% of total mentions) and Fruit of the Loom (32%) remained at the head of the Top Brands list, though they switched positions from last year. Hanes, Lee and Levi's kept their third and fifth spots.

Gitano moved down from last year. It still maintained its percentage of total mentions, however. That has been the case in this year's Top Brands study. More brands were mentioned as top performers, and nearly every top brand got more total mentions.

Rustler, Brittania and Manhattan completed the Top 10.

Bugle Boy's presence and the return of Manhattan to the list unseated MacGregor and Dickies. The latter two did not make the Top 10, but were barely a percentage point away from Manhattan.

Bugle Boy performed better at conventional discounters than at upscale discount stores. Just under 10% of the store managers from conventional discounters said Bugle Boy was a top performer, compared to 4% of the upscale discounters. At Wal-Mart, managers mentioned Bugle Boy enough for the label to tie for fourth with Manhattan. Kmart, however, did not mention it at all.

An "upstairs" brand finds its way into a discount store for a number of reasons. Licensees for a label such as Bugle Boy may already have a relationship with a discounter; merchandise from a manufacturer may be marketed to discount stores through a diverter; or a retail liquidation may also be marketed to discount stores through a diverter.

"As a company we will effectively eliminate discounters from our distribution going forward," said Dr. William Mow, chairman and ceo of Bugle Boy. He estimates it will take about one year.

Mow said the company deals directly with some off-pricers, but diverters are responsible for the brand's appearance at discount stores.

How Top Brands Fare at Chains

Brand	Kmart	Wal-Mart	Target
Wrangler	32%	48%	42%
Fruit of the Loom	38	28	44
Hanes	25	32	22
Lee	10	10	49
Levi's	5	2	9
Bugle Boy	—	12	2
Gitano	3	8	7
Rustler	13	6	9
Brittania	8	2	22
Manhattan	—	12	—

Source: Discount Store News/*Leo J. Shapiro & Associates*

Men's: Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Wrangler	35%	41%	34%	19%
Fruit of the Loom	43	29	38	21
Hanes	44	22	33	22
Lee	57	22	27	18
Levi's	3	8	9	32
Bugle Boy	21	11	8	3
Gitano	27	8	8	1
Rustler	9	6	12	10
Brittania	5	7	9	3
Manhattan	6	8	2	3

Source: Discount Store News/*Leo J. Shapiro & Associates*

Wrangler also did better at conventional discounters, while Lee led the lists at upscale discounters.

At individual stores, the No. 1 spot was debated. Kmart managers most often mentioned Fruit of the Loom. Wrangler led at Wal-Mart, and Lee was the top performing brand at Target.

A few brands that did not appear on the Top 10 did fare well at individual discounters.

Wal-Mart rated Reed st. James highly. About 12% of the Wal-Mart managers questioned said it was a top performer. The label was not mentioned at Kmart and was only cited by 2% of the Target managers as a top performer.

Target managers mentioned the only men's private label brand on the survey—the Merona store brand. It tied for the No. 4 spot at the store, along with Brittania. It even outpaced brands such as Hanes, Levi's, Gitano and Rustler at Target.

Target's emphasis on this line has made it a top performer for the retailer in all apparel categories.

Unlike more typical private label men's lines, Target may have a winner in the category because of the history Merona already has in the marketplace. It is doing as well in Target's women's area.

Regionally, the South came across as the most decisive area of the country. An impressive 41% of Southern store managers mentioned Wrangler as a top brand. That result dwarfed No. 2 Fruit of the Loom in that region (29%).

Preferences in other regions were more evenly allotted.

In the Northeast, Lee got the most mentions (57%), with Hanes (44%) close behind.

Fruit of the Loom (38%) was mentioned most by managers in the North Central region of the country.

Levi's (32%) got kudos from managers in the West.

A total of 28 brands were mentioned in the men's wear survey.

Brand Leaders Solidify Positions in Stable Market

Children's: Top Brands Vary by Type of Outlet

Brand	All Discounters 1991	All Discounters 1990	Conventional Discounters 1991	Conventional Discounters 1990	Upscale Discounters 1991	Upscale Discounters 1990
Fisher-Price	17%	12%	18%	13%	13%	9%
Lee	14	10	13	10	23	13
Wrangler	12	9	12	9	12	8
Fruit of the Loom	11	3	9	2	23	12
Gerber	11	8	9	8	19	8
Liberty	10	9	12	11	—	—
Gitano	9	9	7	7	17	20
Hanes	8	2	8	2	14	3
Curity	8	4	8	3	12	8
Oshkosh	8	7	9	7	6	9

Source: Discount Store News/*Leo J. Shapiro & Associates*

Children's: How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Fisher-Price	23%	30%	13%
Lee	—	6	22
Wrangler	7	24	16
Fruit of the Loom	7	8	22
Gerber	12	6	24

Source: Discount Store News/*Leo J. Shapiro & Associates*

Children's: Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Fisher-Price	16%	18%	17%	18%
Lee	47	11	15	1
Wrangler	8	16	13	4
Fruit of the Loom	12	9	16	7
Gerber	15	12	7	11

Source: Discount Store News/*Leo J. Shapiro & Associates*

The top children's wear brands solidified their place in the category in 1991, as evidenced by store managers' responses to the best performing brands.

The children's wear category was wide open last year with little margin separating the field of contenders. There was hardly a sweep this year, but the most significant development in this latest children's wear Top Brands survey was a slightly clearer picture of the leaders.

Part of the reason for this was that the number of brands entered into the children's wear market was stabilized.

After four years of marginal growth, a mere 1% of the store managers responding mentioned the children's wear area as one in which they increased the number of national brands carried.

The various store managers that were surveyed mentioned a total of 33 different apparel brand names. This was the largest number of labels mentioned in any apparel category.

There were also some shifts in brands. Even so, those appearing further down the list still received a higher percentage of total mentions than they did last year.

Discounters have been consistent about refurbishing the children's area. Not all increased floor space, but a large number updated the area with colorful graphics and newer fixtures. Brands were also highlighted more obviously on fixtures or walls.

The association of brand with quality and consistency is an important draw for parents. And it is one of the reasons more brands appeared on this list than any others.

As the numbers indicate, retailers did not increase the already generous number of brands that they carry. Instead, they better incorporated the top performers into their plans.

The children's wear area has continued to be a bright spot for discount retailers. Despite the jockeying for position of brands, it has remained a relatively stable market. That there are only small shifts in percentage points in the Top 10 list is an indication of just how well most brands do in the category.

One of the newcomers to the list already has an adult following: Hanes, which is making its first appearance in the Top 10. Well-placed in both the men's and women's charts, it is a brand parents are familiar with and can feel very comfortable about.

Similarly, Fruit of the Loom returned to the fray after a one-year absence. It also was a top performer in the other apparel charts.

The two underwear and fleece manufacturers replaced Garanimals and Spencer's on the Top 10 chart. Garanimals had the largest fall. It received only 2% of the total mentions by store managers.

For Fisher-Price and Lee, it was business as usual. They maintained their leadership positions, but with a larger share of total responses each.

Wrangler impressed more managers as a top performer this year, moving up the chart to the No. 3 spot.

Beyond that, the differences were minor with, at most, one percentage point separating the different apparel labels.

Surprisingly, OshKosh, which was a long-awaited brand addition to the mass market with its introduction into Sears, was edged further down on the list. Though considered a department store brand, it has appeared on the chart consistently since 1988, probably due to its appearance in discount stores through diverters.

Gitano, Hanes, Curity and Oshkosh, which held 6th to 10th place positions on the list, were virtually tied in the number of total mentions by retail managers.

In the middle range of the list were Gerber and Liberty. Their placement was greatly influenced by the top two discount retailers. Wal-Mart's far-reaching grasp helped put Liberty—which was No. 1 at that chain—at the No. 6 spot overall. Liberty was not mentioned by either Kmart or Target managers.

Likewise, Gerber got a boost from Kmart, which mentioned it as its second best performing brand. At Wal-Mart and Target, Gerber was placed a bit further down the ladder.

Gerber last year revamped its line. In 1990, it garnered only 8% of the mentions in the category. This year, discounters overall gave it 11% of the mentions.

There were also differences when comparing conventional and upscale discounters and when analyzing the individual stores.

Fisher-Price was the most often mentioned top performing brand at conventional discounters, with Lee and Wrangler tied for second.

At upscale discounters, however, Lee and Fruit of the Loom were tied for first place.

It was also at individual stores where other differences reflected each retailer's personality.

Lee was not mentioned by Kmart at all in this category, but led at Target.

Beyond the cumulative Top 10 list, Spencer's was given high marks by Kmart.

In addition, Target gave high marks to its own Merona store brand. Once marketed as a national brand, Target bought the Merona label last year.

The retailer is now in the process of developing the label within the parameters of its private label operation.

Of all Target store managers queried, 13% mentioned Merona as a top performing brand. At Target, that tied the store brand with Fisher-Price and put it ahead of Hanes and OshKosh.

This is especially significant considering that the Merona brand thus far has only been available in larger children's sizes.

According to Target president Warren Feldberg, the line may be expanded to toddler sizes for boys and girls this coming spring.

Levi's and Health-Tex were also close contenders in the survey. Health-Tex, which has been off the Top 10 list for two years, may be a brand to watch in the future.

Powerful VF Corp., Wrangler's parent, bought the company earlier this year. A new line and marketing push may lead it back to the top end of the children's wear chart.

The survey also pointed to regional differences in how the top brands performed.

Lee ranked first in the Northeast. Liberty led in the South. That corresponds to Liberty's leadership position at Wal-Mart.

In the North Central region, Fisher Price and Fruit of the Loom were the leaders. In the West, Fisher Price and Gerber took over the top of the list.

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Big Gains for Leading Cosmetics Brands

Although it continues to trail Cover Girl in market share at mass merchandise chains (according to A.C. Nielsen), Maybelline topped the list of top performing cosmetics brands at discount stores for the fifth year in a row in *DSN*'s 1991 Top Brands Survey.

Maybelline, even before announcing an intensive corporate effort to upgrade its image with both consumers and the trade (see story below), was named as a top performing brand in the cosmetics department by a whopping 78% of retailers surveyed, 12 percentage points more than last year and the highest percentage ever recorded by a cosmetics brand in the survey. In fact, Maybelline's popularity with discount retailers ranked second only to Kodak overall in the Top Brands Survey.

However, despite Maybelline's impressive showing, No. 2 Cover Girl actually gained ground on the mass market cosmetics firm. Cover Girl, owned by the giant Procter & Gamble conglomerate, was named as a top performing brand by 67% of retailers surveyed, a 14 point increase over its rate of mentions in the 1990 survey.

And, Revlon, the No. 3 ranked brand for the past five years, was actually the biggest winner in cosmetics. With 44% of mentions as a top performing brand, Revlon gained 21 percentage points over its 23% rate of mentions last year.

The other big gainer on the Top 10 list was L'Oreal, with 24% of mentions, a 12 point gain over 1990. Max Factor, despite a two point gain over its rate of mentions last year, dropped from fourth to fifth on the chart due to L'Oreal's big push.

Coty Joins Top 10

The sole newcomer to the Top 10 list was Coty, with 3% of mentions, in 10th place, while Sally Hanson, which garnered 5% of mentions last year, fell off the Top 10 list.

Only 4% of store managers overall cited cosmetics as a department in which the number of national name brands they carry has increased in the past year, less than the 6% average for all departments.

The relative market positioning of the major cosmetics brands becomes apparent when analyzing the results by performance at the major chains. Maybelline was strongest among conventional discount chains, especially Wal-Mart. But, Revlon gave Maybelline a run for its money at upscale discounters in general, trailing by a slim 4 percentage points, and at Target, where only 6 percentage points separated the two brands.

Cover Girl, like Maybelline, received its highest share of mentions from Wal-Mart managers. And, L'Oreal's impressive performance can also be attributed to its popularity at Wal-Mart, as well as a strong showing among Target managers. Target managers also gave Max Factor that brand's strongest show of support.

REVLON
REVLON
REVLON
REVLON

***Revlon**, the No. 3 ranked brand for the past five years, gained 21 percentage points over its 23% rate of mentions last year.* (DSN photo)

Cosmetics: How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Maybelline	85%	92%	78%
Cover Girl	67	82	56
Revlon	33	48	73
L'Oreal	17	40	33
Max Factor	18	12	22

Source: Discount Store News/*Leo J. Shapiro & Associates*

Cosmetics: Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	1991	1990	1991	1990	1991	1990
Maybelline	79%	66%	80%	65%	75%	70%
Cover Girl	67	53	69	54	59	48
Revlon	44	23	40	18	71	51
L'Oreal	24	12	23	11	33	18
Max Factor	17	15	15	14	26	17
Noxell	9	8	10	9	—	3
Almay	9	3	8	3	14	3
Clairol	7	8	7	9	7	3
Clarion	4	4	5	4	1	4
Coty	3	1	3	2	4	—

Source: Discount Store News/*Leo J. Shapiro & Associates*

Cosmetics: Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Maybelline	79%	77%	88%	65%
Cover Girl	77	73	65	51
Revlon	58	44	37	50
L'Oreal	19	27	24	22
Max Factor	19	12	16	29
Noxell	13	5	10	17
Almay	12	10	8	6
Clairol	3	7	9	7
Clarion	—	5	3	5
Coty	6	3	3	3

Source: Discount Store News/*Leo J. Shapiro & Associates*

Upgraded Image, New Strategy Gives Maybelline a Facelift

Maybelline, the mass market cosmetic firm acquired last July by Wasserstein Perella Management Partners from Shering-Plough, is "relaunching" itself with a new, upgraded image.

At a press conference here last month, Maybelline president Robert Hiatt unveiled a three-pronged strategy incorporating a new $50 million ad campaign, new product packaging and reformulations.

Hiatt said that major retail accounts who were given previews of the new campaign over the past several weeks were enthusiastic about the changes.

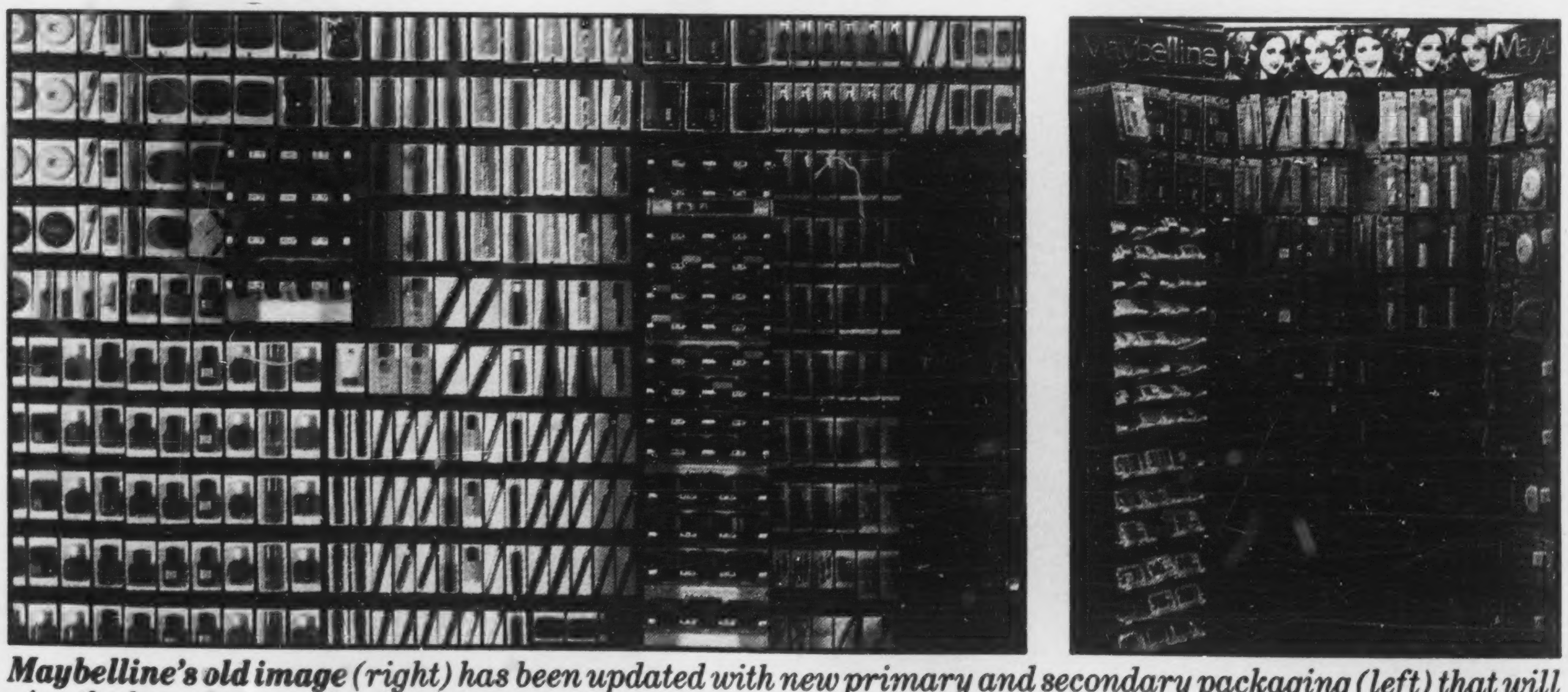
Maybelline currently is the second largest brand in share of unit sales of cosmetics. However, Hiatt said that consumers have a "vague, fuzzy image" of the brand. "We are not top of mind," he said. A $50 million ad campaign, with the new theme, "Maybe She's Born With It. Maybe It's Maybelline," is expected to help raise Maybelline to the preferred customer brand.

The new ad campaign, which debuted on network television Sept. 9, is "totally consistent with today's confident woman," said Maybelline vice president of advertising David Blanton. "She's intelligent, savvy, and surprising. The Maybelline performance story is still there but there's much more excitement, wit, and glamour. There is an honesty to the advertising that is unique."

New primary and secondary packaging will give the old Maybelline products a new, up-to-date look. Modern navy compacts were introduced this year for Maybelline's Blooming Colors eye shadows, Brush/Blush I and II, and Satin Complexion pressed powder. This fall, three lipstick brands, Moisture Whip, Long Wearing and Revitalizing Color, will get new packaging that simulates the look of more expensive department store brands. Many other lines will re-emerge this fall in new burgundy packages with gold graphics.

The new look extends to secondary packaging. The blue card to which the product is affixed has been replaced by a white card with navy and plum graphics.

Hiatt noted that Maybelline intends to be responsive to retailers. "We will be the best performer in the way they [retailers] track performance," he said, "not just in sales, but on return on inventory investment."



***Maybelline's old image** (right) has been updated with new primary and secondary packaging (left) that will give the brand more of a department store look.* (DSN photos)

Emerson Climbs Back to Top Performer Position

Emerson, which slipped to No. 3 in last year's Top Brands Survey of discount managers, roared back in 1991 to regain its crown as top performer in discount consumer electronics departments. However, GE, which last year surpassed Emerson for the first time in the five years of the survey, gained nearly as much.

Last year, each brand had just over one quarter of total mentions in the survey. This year, four of 10 managers named Emerson and just slightly fewer named GE. Both are the highest mention rates in the department over the life of the survey.

And they weren't the only big winners. Sony doubled its mention rate of last year to finish third, with slightly over one in three managers citing the brand; AT&T blew past Sharp, Nintendo and Sanyo to enter the chart for the first time ever at No. 7; and Panasonic improved sharply to three of 10 manager mentions, remaining No. 4 overall.

This will probably come as no surprise, but Emerson owed its strong showing to Wal-Mart, for whom the company has been a major resource for many years. Over three-quarters of Wal-Mart managers named Emerson as among its top performing brands, as did more than half of Target managers.

Marino Andriani, senior vp of sales and marketing, Emerson, noted that Emerson's high mention rate in the face of a troubled year financially is due to "fulfilling our commitments, and not commiting to things we can't do. The Target results are due to our shipping, as their major concern is out-of-stocks. Overall, we've dedicated ourselves to the discount store industry, and as our customers have grown, so have we."

GE, while finishing strongly at Wal-Mart and Target, was named by about three of five Kmart managers, and was strong across the board, with mention rates seldom dipping below 30%. Sony had a big year at Target, where nearly half of managers named the brand, and was nearly as strong at Wal-Mart and upscale discounters other than Target. Even at Kmart, where Sony had its lowest mentions, one in five managers cited the brand.

Panasonic was very strong at Wal-Mart and Kmart, less so at Target and other upscale discounters, while No. 5 RCA saw its share erode due to extremely low support among managers of conventional discount chains other than Kmart and Wal-Mart. Upscale chains continued to support RCA.

Philips' Magnavox moved up a notch in the overall rankings, due mainly to support from Kmart and Target managers, with very low mention rates from Wal-Mart managers.

Consumer Electronics: Top Brands Vary by Type of Outlet

Brand	All Discounters 1991	All Discounters 1990	Conventional Discounters 1991	Conventional Discounters 1990	Upscale Discounters 1991	Upscale Discounters 1990
Emerson	40%	28%	41%	27%	38%	31%
General Electric	39	29	40	32	29	14
Sony	35	18	32	16	48	32
Panasonic	30	23	31	22	23	28
RCA	20	29	20	27	22	41
Magnavox	17	20	15	19	22	25
AT&T	16	3	17	3	13	5
Nintendo	15	10	13	11	28	6
Sanyo	14	18	15	16	8	32
Sharp	10	9	9	9	12	10

Source: Discount Store News/Leo J. Shapiro & Associates

Consumer Electronics
How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Emerson	20%	76%	53%
General Electric	58	32	31
Sony	20	44	49
Panasonic	32	38	24
RCA	32	30	20

Source: Discount Store News/Leo J. Shapiro & Associates

Consumer Electronics
Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Emerson	39%	53%	29%	29%
General Electric	41	32	47	35
Sony	24	33	35	47
Panasonic	41	28	34	20
RCA	21	22	20	14
Magnavox	26	19	15	13
AT&T	27	14	19	12
Nintendo	23	12	16	14
Sanyo	5	23	8	8
Sharp	20	9	3	19

Source: Discount Store News/Leo J. Shapiro & Associates

AT&T, one of the biggest gainers on the chart, scored heavily with Kmart managers, about one in four of whom mentioned the brand. AT&T has strengthened its presence at the mass level with a raft of new products, full-line programs and aggressive advertising.

"I am pleased with AT&T's improvement in the brand preference standings," said Ed May, national sales vice president of AT&T's Consumer Products division. "We have taken initiatives in the past three years to improve our relationship with and significance as a supplier of telecommunications equipment to the discount store industry."

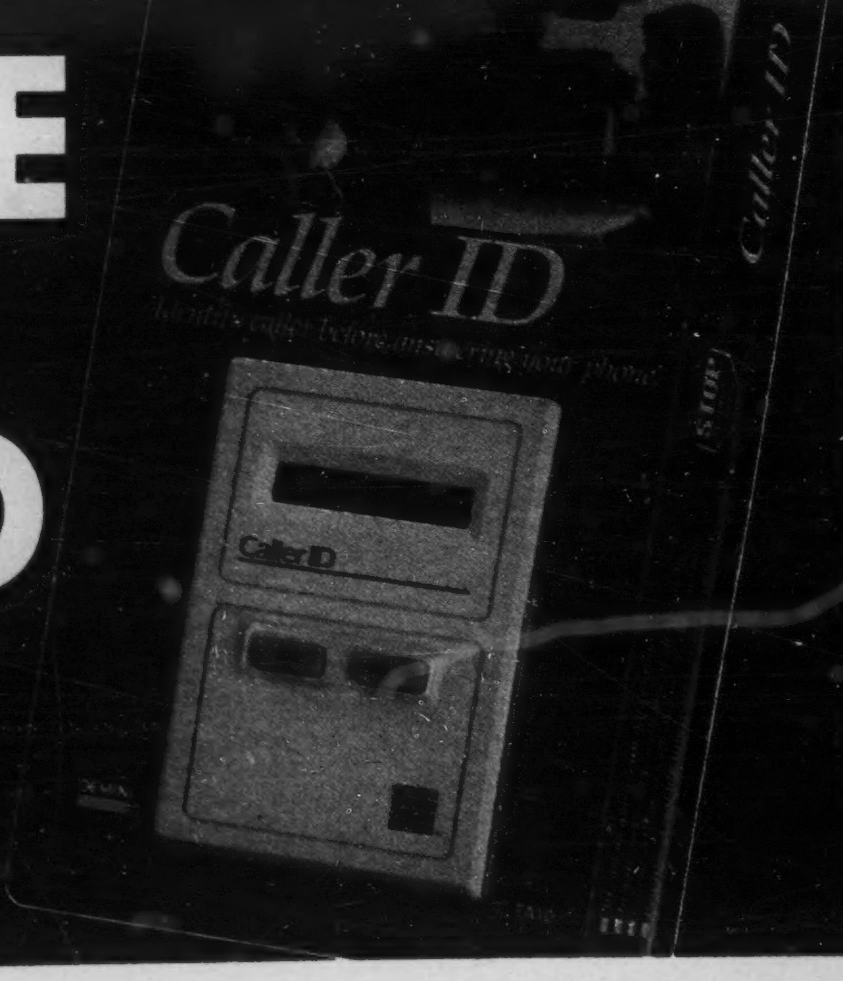
No. 8 Nintendo ironically owed its increase in mention rates to Target, with whom it has been engaged in a yearlong battle over return privileges. Kmart managers and upscale regional discount chains also supported the video game maker.

Sanyo and Sharp each increased their mention rates but dropped a place each in the overall rankings. Sanyo performed very strongly at Wal-Mart, where four in 10 managers cited the brand, and was a virtual non-player at Kmart.

Sharp performed best at upscale regional chains other than Target, with significant support at Kmart, which has increased the brand's presence in its new-look CE departments, even installing the $5,000 SharpVision 100-inch LCD projection television in several locations.

Soundesign, which had been a Top 10 perennial until last year, edged back up, barely missing the chart this year. Others in striking range include Zenith, Pioneer (with strong support at Wal-Mart), Samsung, Toshiba and GoldStar. Sega, engaged in a bitter 16-bit advertising war with Nintendo, received a significant number of mentions for the first time this year, with relatively strong support from Target managers.

Regionally, there were distinct variations in mention rates. For instance, while it might have been predictable that Emerson would rate best in the South, where a majority of Wal-Mart stores are still located, how to explain Sony's performance on the West Coast, where it was an easy No.1 and in the Northeast, where it sank to No.7, just beating out Sharp; or Panasonic's strength in the Northeast, where it tied GE for No.1? Similarly, Magnavox, AT&T and Nintendo all performed far better in the Northeast than in any other region, as did Samsung, Soundesign and Zenith.



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Variety of Brands Spices Up Department

***Nearly twice as** many store managers named Mr. Coffee as a top brand this year as last.* (DSN photo)

The housewares department is chock full of national brand name merchandise, but evidently there is room for still more variety, according to discount store managers. The housewares department was second only to health & beauty care in terms of the number of retailers who said they experienced an influx in nationally branded items in the past year.

The brands firmly entrenched in the housewares department include plastics manufacturers, well represented by Rubbermaid, Tucker and Sterilite—and appliance suppliers such as Black & Decker, Proctor-Silex, Mr. Coffee and General Electric.

With few exceptions, brands that were among last year's best housewares department performers were also tops in the current study of discount store managers.

Executives from the leading suppliers said stepped-up advertising and promotional activities, expanded shelf-space in the stores and new product introductions pumped up the sales muscle of their brands.

Top ranked Rubbermaid, for instance, was helped by placement of its Rubbermaid "boutiques" at stores like Jamesway and, more recently at Pergament home centers. These boutiques feature overhead banners and expanded floor space. With more than six out of every 10 store managers saying Rubbermaid is a department leader, the brand was mentioned more frequently this year than in any previous Top Brands Study. Rubbermaid has topped the list of housewares brands in each of the past five years.

Chuck Carroll, president & gm of Rubbermaid's housewares products division, attributed the increased brand strength to providing "over 100 new products last year and another 100 this year," as well to appropriate POS materials, high product quality standards and the right colors.

New products also contributed to Tucker's performance in the survey. Tucker's aggressive recycling bin program—coupled with the points it scored with the retail community for being the first and only manufacturer to provide recycling centers for the Housewares Show in January 1990—helped put Tucker back into the minds of the store manager. Tucker, which was not among the list of Top Brands last year, was cited by 10% of all store managers in the latest survey.

Kmart and other conventional discounters were Tucker's strongest advocates, while Wal-Mart, which relies more on Rubbermaid for its plastics department, mentioned Tucker less frequently.

Frank DiSesa, vice president, research & development, with Tucker, acknowledged that the company's strong recycling program has helped to build sales and recognition. Its relatively new home storage line has also contributed to greater recognition.

New products were responsible for improved performance among appliance brands as well.

In the case of Mr. Coffee, the retail success of its automatic iced tea maker and the seasonal promotability of the appliance helped to make the brand a key ingredient in the housewares department. Nearly twice as many store managers said Mr. Coffee was a top brand this year as last. The somewhat "yuppie" market this appliance targeted made it a natural success story for Target stores. In fact, more than 25% of all Target store managers mentioned Mr. Coffee, compared to 3% at Kmart and 14% at Wal-Mart.

Judy McBee, executive vice president, marketing & sales, for Proctor-Silex, attributed the tripling of mentions by store managers from 1990 to 1991 to the merger with Hamilton Beach. "Within the past 12 months our merger with Hamilton Beach has caused retailers to see us as one company. The sales person calling on the store manager from Proctor-Silex now also represents Hamilton Beach," she noted.

The growing popularity of hand blenders, sandwich toasters and other food preparation appliances, also boosted the vitality of these sales for Proctor-Silex, especially because of the suppliers' moderate pricing. As McBee phrased it, "After a decade of decadence and overspending, I think the consumer is returning to basic quality. And what keeps coming back to us in our studies on our company image is that we are viewed as a supplier of quality product with good value."

Black & Decker's streamlined packaging program helped to raise its recognition level among store managers, especially at Kmart where a third said Black & Decker products were top performers in housewares.

While the Top 10 list of leading housewares brands helps to define the brands with fairly universal appeal in the retail community, there are brands which have specific pockets of success, and others which are suffering only temporary setbacks.

One of the interesting exceptions is Farberware, which was mentioned by 13% of upscale discounters other than Target, even though only 3% of all discounters combined mentioned this stainless steel cookware manufacturer as one of the top performers.

Similarly, O-Cedar brand closet supplies were considered to be a top housewares brand by one out of 10 Kmart store managers. Wal-Mart store managers cited appliance and cookware brands that most other retailers did not, including Rival, Sunbeam and Regal.

While the various divisions of Corning were not mentioned as often overall, as last year, chains other than the "big three" continued to consider the Corning, Corelle, Revere and Visions brands important department contributors, especially when they were viewed collectively instead of by individual brand name.

Corning's Pyrex brand was not seen as a significant factor in the housewares department, but the company has recently introduced an updated Pyrex style with a four-color carton which is certain to boost Pyrex sales. At the same time, a new wave of Corelle patterns and extensive licensing of these new designs are also adding excitement to the assortment.

Earlier this year, Corning also debuted its first non-stick cookware with the Revere label; the new line was not yet at store level when the Top Brands Study was in the process of being conducted.

Housewares: Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	**1991**	**1990**	**1991**	**1990**	**1991**	**1990**
Rubbermaid	64%	59%	65%	58%	68%	63%
Black & Decker	21	14	19	15	29	12
Proctor-Silex	18	6	19	6	17	9
Tucker	10	3	12	3	—	2
Mirro	9	6	9	7	6	2
Mr. Coffee	9	5	8	3	15	11
Sterilite	7	7	6	7	16	10
General Electric	7	3	6	2	10	8
Corning	6	14	5	15	10	11
Corelle	6	24	7	26	—	13

Source: Discount Store News/*Leo J. Shapiro & Associates*

Housewares
Top Brands Performance by Region

Brand	**Northeast**	**South**	**North Central**	**West**
Rubbermaid	76%	66%	63%	57%
Black & Decker	37	12	22	32
Proctor-Silex	37	17	14	17
Tucker	14	10	12	3
Mirro	7	12	7	7
Mr. Coffee	18	9	7	6
Sterilite	4	8	7	6
General Electric	11	7	3	10
Corning	8	4	6	9
Corelle	15	3	3	10

Source: Discount Store News/*Leo J. Shapiro & Associates*

Housewares
How Industry's Top 5 Fare at Chains

Brand	**Kmart**	**Wal-Mart**	**Target**
Rubbermaid	53%	80%	73%
Black & Decker	33	4	29
Proctor-Silex	19	20	20
Tucker	15	4	—
Mirro	9	10	4

Source: Discount Store News/*Leo J. Shapiro & Associates*

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Discount Chains Streamline Supplier Lists

The growing retail trend toward partnership with key vendors gathered steam in the past year, especially in domestics.

Discounters edited their vendor list in the effort to find manufacturers who can keep up with an increasingly velocity-driven business.

As a result, three companies—Fieldcrest Cannon, WestPoint Pepperell and Springs Industries—totally dominated the domestics department results of *DSN*'s annual Top Brands survey.

Perennial No. 1 Cannon not only increased its mention rate, with about two-thirds of managers citing the brand as a top performer, but its St. Mary's and Fieldcrest divisions also increased their ratings over last year as well, finishing fourth and seventh overall. WestPoint sister companies J.P. Stevens and Lady Pepperell also showed healthy gains over last year, with Stevens cementing last year's move into second place and Lady Pepperell strengthening its hold on third place overall.

Springs, No. 5 overall, was mentioned by about one in 10 respondents, roughly double the rate of mentions in 1990.

There were two newcomers to the Top 10 this year; blanket manufacturer Beacon, and towel supplier Dundee Mills. Beacon owed its placement to Wal-Mart managers; Dundee, which has strong programs with regional discounters like Caldor and Venture, predictably realized most of its support from retailers other than the big three of Kmart, Wal-Mart and Target, with whom Dundee only does periodic promotional business.

Beacon has closed its grip on the mass market blanket industry, which has gone through a period of consolidation, and is now one of only three or four resources of sufficient size to serve the industry. It has also mounted an aggressive trade advertising campaign, two factors that probably influenced its sudden rise. Company president Randall Chestnut credited "improving our product and introducing new products" with the improvement.

"Over the past few years we've worked hard to build the Beacon name," he said. "We've been responsive to our customers and active in trade advertising, which has reinforced our efforts at placing goods."

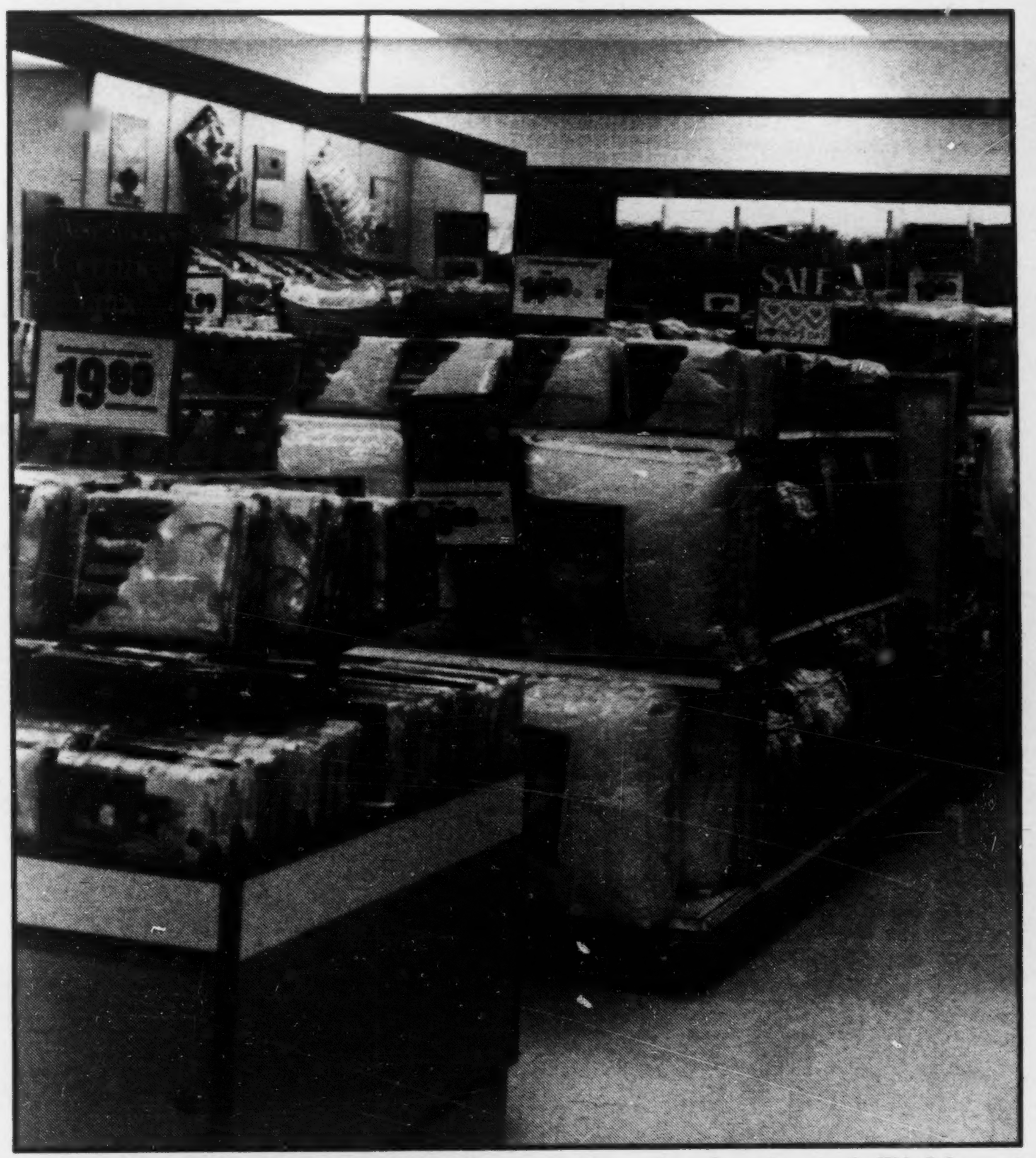
Santa Cruz and Burlington dropped off the Top 10 this year, ending a three-year run for Burlington.

Dan River, which has consistently placed in the Top 10 over the past four years, repeated again at No. 6, due mainly to support from conventional discounters other than Wal-Mart.

The final member of the Top 10, the Martha Stewart brand, is a Kmart private label that has placed in the lower reaches of the Top 10 since it first entered the chart in 1989. Predictably, Martha Stewart gained all of its mentions from Kmart managers.

When mention rates are studied by chain, some interesting patterns emerge. Cannon, for instance, was wildly popular with all conventional discounters. Four out of every five Wal-Mart managers, for instance, named the brand, and three quarters of Kmart managers named Cannon as a top performing brand.

However, Cannon's support plummeted among upscale discounters and was only moderate among regionals. Only four of 10 Target managers cited the brand, and regional support varied from about 40% at upscale regionals, to about 60% with traditional regionals. Of course, any other brand would have been ecstatic to receive any of those mention rates.



In the domestics department, three companies dominated: Fieldcrest Cannon, WestPoint Pepperell and Springs Industries. (DSN photo)

Stevens, which slipped by sister company WestPoint Pepperell, owed its success, in large part, to Wal-Mart, with some 30% of managers naming the brand. Support was high at Target as well, but only about one in eight Kmart managers mentioned Stevens.

Stevens vice president Bob Gehm noted that "we supply four of Wal-Mart's best-selling patterns, and the Common Sense towel has been a big seller as well" in explaining the company's performance at Wal-Mart.

WestPoint Pepperell also performed better at Wal-Mart than elsewhere, with nearly 30% of managers citing the brand. Both Stevens and Pepperell performed well across the board, without major drop-offs.

No. 4 St. Mary's gained very strong support among Target managers, over a quarter of whom named the brand as a top performer. Only about one in 20 Wal-Mart managers mentioned St. Mary's, however.

Regionally, most top brands performed better among Northeastern and Southern retailers than among North Central region and Western managers, while brands in the lower reaches of the chart tended to reverse the pattern. A few exceptions: St. Mary's was strongest in the Northeast, but performed better in the West and North Central regions than in the South; Fieldcrest was strongest in the South and North Central area.

Brands just missing the Top 10 included Regal, TasteMaker, Santa Cruz, Burlington, Newell, Graber, Hollander and Hygiene.

Managers were asked to name departments in which the number of national brands carried has increased in the past year. Predictably, domestics was nearly at the bottom of barrel, with only 1% of managers, down from 3% last year. While the number of brands has decreased storewide, the drop in domestics was one of the biggest. The average manager listed less than two brands when asked for top performers, again just about lowest storewide, with only stationery and greeting cards among historical departments scoring lower.

Managers were also asked which departments they felt they had the most control over. Only one in 20 managers cited domestics, compared to candy and snacks and H&BA, where more than a quarter of managers felt they had influence.

Overall, a majority of managers reported that there had been no brand growth in the domestics department.

Domestics: Top Brands Vary by Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	**1991**	**1990**	**1991**	**1990**	**1991**	**1990**
Cannon	66%	57%	72%	61%	42%	35%
J.P. Stevens	21	15	22	16	20	12
Pepperell/Lady Pepperell/ Westpoint	19	17	19	15	19	24
St. Mary's	16	8	15	6	24	20
Springs/Spring Mills	9	5	9	4	11	10
Dan River	3	3	3	3	—	5
Fieldcrest	3	6	2	5	6	10
Martha Stewart	3	4	3	5	—	—
Beacon	2	2	3	2	—	—
Dundee Mills	1	3	1	2	—	1

Source: Discount Store News/*Leo J. Shapiro & Associates*

Domestics How Top Brands Fare at Chains

Brand	Kmart	Wal-Mart	Target
Cannon	75%	84%	40%
J.P. Stevens	17	30	22
Pepperell/Lady Pepperell/ Westpoint	18	28	18
St. Mary's	18	6	27
Springs/Spring Mills	7	10	11
Dan River	3	—	—
Fieldcrest	3	2	7
Martha Stewart	10	—	—
Beacon	—	6	—
Dundee Mills	—	—	—

Source: Discount Store News/*Leo J. Shapiro & Associates*

Domestics: Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Cannon	71%	73%	62%	57%
J.P. Stevens	31	27	16	12
Pepperell/Lady Pepperell/Westpoint	27	23	12	16
St. Mary's	35	12	15	15
Springs/Spring Mills	14	11	9	4
Dan River	5	1	5	—
Fieldcrest	1	3	4	—
Martha Stewart	—	—	4	8
Beacon	3	3	2	—
Dundee Mills	—	2	2	—

Source: Discount Store News/*Leo J. Shapiro & Associates*

Branded Goods Take Upper Hand in Category

A decreased reliance on unbranded, imported small appliances coupled with a general upgrade of the quality of products made by leading domestic suppliers helped to nurture a preference toward branded personal care appliances.

Executives with several of the leading suppliers said the days of risking sales on unbranded imports or branded goods of questionable integrity are gone. The safety risks of hair dryers and other electrics frequently used near water in the bathroom have made consumers—and therefore retailers—rethink buying decisions.

In addition to safety concerns, the "throwaway" mentality is on the decline, leading consumers to invest in frequently higher priced nationally branded appliances instead of lower ticket alternatives with low brand recognition which are more apt to burn out within a shorter span of time.

> *Gift-with-purchase, in-store merchandising tools and other buying incentives tailored to the particular retailer's needs have enabled Conair to consistently be named as a top performing brand*

Most of the suppliers cited as top performing brands in the department said increased involvement with the retailer—including intensified micromarketing efforts—helped to strengthen their position relative to competitors.

DSN's track record with the annual Top Brands Study has revealed most categories have a single top brand that the vast majority of retailers think of as a category leader. In cosmetics it is Maybelline, and in housewares it is Rubbermaid. In personal care appliances, Conair is that brand.

Conair has topped the list of top performing personal care brands every year since *DSN* began conducting these surveys. According to Frank Lindsey, vice president, marketing at Conair, attention to "core products" without being distracted by "faddish" appliances is an element to Conair's success.

Gift-with-purchase, in-store merchandising tools and other buying incentives tailored to the particular retailer's needs are also a factor. "With our facial sauna, we packaged free Neutrogena soap; with driers and curling irons, we have packaged brushes and toiletries. Where there is a synergy between the products, we will consider it," Lindsey explained.

The Conair programs apparently work well for Kmart where seven out of every 10 store managers named the brand as a top performer, and nearly as many Wal-Mart store managers concurred.

Personal Care Appliances: Top Brands Vary by Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1991	1990	1991	1990	1991	1990
Conair	57%	42%	60%	42%	45%	42%
Norelco	35	24	35	24	39	34
Vidal Sassoon	32	15	30	11	45	35
Remington	21	23	21	23	24	25
Windmere	17	14	19	14	8	13
Clairol	16	16	16	15	22	21
Jerri Redding	12	10	14	11	2	—
Black & Decker	5	6	5	6	6	6
General Electric	2	4	3	4	—	7
Proctor-Silex	2	2	2	3	1	1

Source: Discount Store News/*Leo J. Shapiro & Associates*

Conair's strength was evenly distributed across the country except for a slightly lower response rate from store managers in the North Central states.

The often referred to "partnership" between retailers and vendors was also a key for Norelco which, unlike Conair, had greater strength among upscale discounters than conventional chains.

John Beggs, president of Norelco, said the performance of his brand at retail has snowballed as a result of increased consumer advertising, new product introductions, and greater involvement with upper management at key accounts.

"We've made a concerted effort over the past 18 months to work with all levels of retail trade to help them understand the extra sales and profits that can be attained with our products. That means speaking more with Bill Fields [executive vice president, merchandise and sales] in the case of Wal-Mart, and Bill Underwood [senior vice president, general merchandise] at Kmart." Beggs was quick to note that informing these executives can help category buyers.

All of this has added up to a dramatic rise in the number of store managers saying "Norelco" when asked about their top personal care appliance brands. In 1990, less than one-fourth of all managers mentioned Norelco, while this year, more than one-third considered it a leading brand. A minimum of one-third of retailers from each geographic region said Norelco was a top performing brand except for the West, where a little under one-quarter of retailers cited the brand.

Store managers' view of Vidal Sassoon's performance rose at an even more dramatic rate, more than doubling response levels in a year's time. Since 1987, Vidal Sassoon has remained virtually unchanged, with a flat 15% of store managers saying it was a top performer. But 1991 witnessed 32% of all store managers mentioning Vidal Sassoon. Like Conair, Vidal Sassoon has stepped up its gift-with-purchase promotions and interactions with senior management at the chains.

Target was Vidal Sassoon's greatest advocate, with more than half of all Target store managers naming it as a top performer. In fact, no other personal care brand was considered as important to Target stores as Vidal Sassoon.

The strength of a brand at one specific chain can at times be responsible for its overall response rate in the survey, while other brands have more of a broad-based popularity despite low recognition among Kmart, Wal-Mart and Target.

Remington, for example, received one of the highest total mentions in the personal care appliance category due to its strength at the "big three" although at all other conventional chains only one out of 10 store managers mentioned Remington.

Conversely, Windmere, which almost went unmentioned by Kmart and Target, received strong support from Wal-Mart store managers. In addition, Windmere fared better at all other conventional discounters than any other brand with the exception of Conair. Windmere equaled Vidal Sassoon's performance among other conventional discounters with three out of 10 saying each of these two brands were among the top performers at their store.

Personal Care Appliances
How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Conair	70%	66%	40%
Norelco	37	44	29
Vidal Sassoon	7	52	56
Remington	32	24	27
Windmere	2	24	4

Source: Discount Store News/*Leo J. Shapiro & Associates*

Personal Care Appliances
Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Conair	62%	61%	48%	63%
Norelco	47	36	36	24
Vidal Sassoon	20	39	36	14
Remington	31	20	23	15
Windmere	26	19	10	22
Clairol	7	18	18	13
Jerri Redding	9	10	16	10
Black & Decker	6	3	6	10
General Electric	3	1	3	4
Proctor-Silex	—	2	5	—

Source: Discount Store News/*Leo J. Shapiro & Associates*

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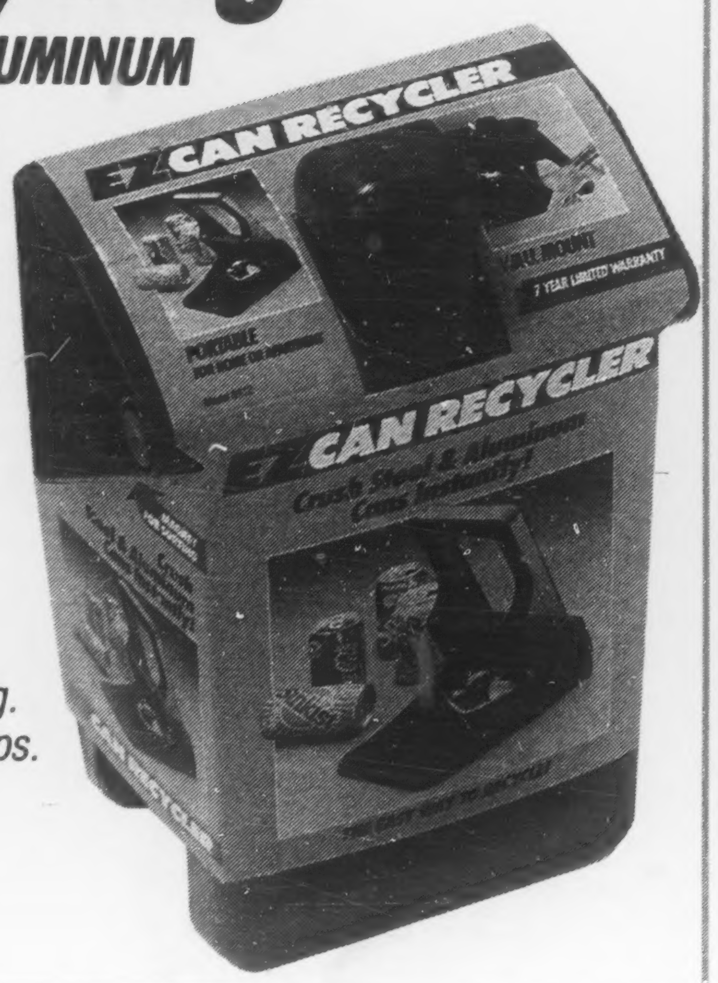

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Four P&G Brands Make Mark on Top 10

The top household chemical suppliers wield a great deal of power and influence in the discount store industry, but more than most categories, store manager response suggests there are opportunities for upstart companies to make a big splash in the cleaner category.

According to this year's Top Brands survey of retailers, the list of best performing brands in household cleaners remained relatively stable, with two exceptions, Dow—which has received strong support from Kmart and Target managers—and Cheer, which was a winner among Target store managers.

Still, Procter & Gamble is far and away the across-the-board leader in household chemicals as far as store managers were concerned, both measured by the strength of the P&G company and by the performance of its specific brands. Four of the Top 10 household cleaning brands were made by P&G.

Procter & Gamble's attention to environmental issues, including the development of concentrates that require less packaging combined with retailers' preference to work with as few suppliers as possible within a department, helped to build the shelf space and performance of P&G brands. A P&G spokeswoman said the manufacturer's success is attributable only to a steadfast commitment to quality and not to any new promotions or campaigns at retail.

Tide, which has been the category leader since *DSN* began the survey in 1987, reached its highest performance level with six out of every 10 store managers saying Tide was a top brand. Similarly, P&G, corporately, was viewed as a brand in its own right, with one fourth of the retailers surveyed—especially those with Wal-Mart and Target—saying it was a key "brand."

Some specific brands, by P&G and others suppliers, fared better at one chain more than another. For example, Kmart managers cited Dawn more frequently than other retailers as a top brand, and Cheer had almost twice the popularity among Wal-Mart managers as it did at Kmart.

Wal-Mart and Target store managers held up Colgate-Palmolive as a top brand far more than Kmart and all other discounters. Lever Brother's Wisk laundry detergent appears to be more of an uspcale discounter brand, with one out of every five Target store managers, and the same portion of store managers at other upscale discount chains, saying Wisk was a top performing brand in their department. But Wisk was not among the Top 10 brands overall due to the fraction of conventional discount store chains that either stock the brand or find that it is among their department's top performers.

If each of the net brand mentions by the parent companies were compared, P&G would still be No.1, but by a much greater margin. More than eight out of every 10 store managers said P&G or its various brands were top performers. Clorox would still have 36%; Drackett would be third with 28% of all mentions; Colgate-Palmolive would have 14%; Texize would have 13%, and S.C. Johnson, makers of Pledge and Johnson Wax, would have 8%.

While Procter & Gamble is the backbone of the household cleaner and chemical department, based on store manager responses, there also appears to be a spectrum of opportunity for both smaller suppliers and for private label firms that work with larger chains like Kmart, Wal-Mart and Target. The influx of new brands targeting the environmental market may have already expanded the spectrum of products typically offered.

Unlike most categories that were part of the Top Brands Survey, the sheer number of brands mentioned was extremely lengthy—40 individual brands—and at the same time, there were large numbers of brands that fell into the "other" brand category. In fact, lumped together, the "other" brand category would be No. 6 among the Top 10 cleaners with over 15% of all store managers finding some other brand, exclusive of the Top 40, which performs strongly in the category.

Six out of every 10 store managers surveyed named Tide as a top brand. (DSN photo)

Household Cleaners: Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	1991	1990	1991	1990	1991	1990
Tide	60%	54%	59%	53%	70%	61%
Clorox	36	26	35	26	41	24
Windex	25	14	25	13	26	22
Procter & Gamble	25	14	24	14	33	11
Cheer	15	8	15	8	16	7
Dow	14	6	14	6	18	5
Purex	13	12	15	14	2	—
Dawn	12	8	13	8	13	7
Lysol	8	8	8	9	10	5
Formula 409	7	7	7	7	5	4

Source: Discount Store News/Leo J. Shapiro & Associates

Household Cleaners
How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Tide	63%	66%	78%
Clorox	22	52	40
Windex	35	24	27
Procter & Gamble	13	38	33
Cheer	12	20	13

Source: Discount Store News/Leo J. Shapiro & Associates

Household Cleaners
Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Tide	65%	59%	59%	58%
Clorox	39	44	30	24
Windex	28	24	24	30
Procter & Gamble	27	26	32	11
Cheer	12	12	22	10
Dow	6	12	21	12
Purex	10	16	10	16
Dawn	13	10	18	9
Lysol	7	6	10	9
Formula 409	9	5	4	14

Source: Discount Store News/Leo J. Shapiro & Associates

For instance, nearly one quarter of Kmart store managers mentioned brands other than the Top 40 as leading category performers, suggesting that, at least within household chemicals, a supplier need not be as big as Procter & Gamble or Clorox to be a significant factor in the department.

Further supporting the notion that there is room for more household chemical suppliers is the increase in the average number of brands each store manager mentioned as compared with other years. With the exception of food and snack items, no other category had as many brands listed by each store manager. An average of 3.1 household cleaners and chemicals were said to be top performers by each manager; in the past, the highest average number of household cleaner brands was 2.6 back in 1988.

In addition, 5% of store managers singled out household cleaners and chemicals as a department where the number of national brands sold had been increased over the past year.

The "other" brand group did not include store brand/private label mentions, which were also found to be strong contributors to the department, especially in contrast to most other hard goods categories. About 5% of Kmart and Target store managers said their in-house brands were a major household chemical "brand" at their chain.

Private label brands were believed to be top performers mostly among store managers in the Western states.

Big Yellow Wins Again, But Competitors Gain

Photo, Camera: Top Brands Vary by Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1991	**1990**	**1991**	**1990**	**1991**	**1990**
Kodak	82%	77%	83%	79%	74%	63%
Canon	41	28	41	25	42	43
Polaroid	33	23	32	22	30	24
Minolta	21	19	20	19	25	23
Fuji	13	11	15	12	5	6
Pentax	10	7	8	6	19	12
Vivitar	8	4	7	4	12	4
Nikon	7	5	6	3	14	12
Sony	2	3	1	1	8	11
Olympus	2	3	2	3	4	5

Source: Discount Store News/*Leo J. Shapiro & Associates*

Kodak was once again the easy winner in *DSN's* annual Top Brands survey of discount store managers, with its highest mention rate in five years. But other major brands gained even more dramatically.

The survey, conducted by Chicago-based Leo J. Shapiro & Associates for *DSN*, asks discount store managers to name the top performing brands in major departments.

The order of the top five was unchanged from last year, but every brand increased its rate of mentions. More than eight of 10 store managers mentioned Kodak this year, an increase of about 5 percentage points, but No. 2 Canon jumped from under 30% to over 40% of managers noting the brand as a top performer.

Polaroid's mention rate leaped 10 percentage points, with more than three of 10 managers citing the brand, which had been slipping for three years. Minolta and Fuji (as well as No. 6 Pentax) increased mention rates as well.

The biggest percentage gainer was No. 7 Vivitar, which doubled its 1990 rate, moving up from No. 9, while Nikon slipped to No. 8 despite increasing its rate of mentions. Sony and Olympus both leaped onto the chart, displacing Scotch and 3M.

Differences were clear when the ratings were analyzed on a chain-by-chain basis. Kodak was an easy No. 1 everywhere, but was overwhelming at Kmart, where nine out of 10 managers named the brand.

At Wal-Mart, Canon and Polaroid gave Big Yellow a run for its money. Eight of 10 Wal-Mart managers cited Kodak, six of 10 named Canon and four of 10 named Polaroid.

Canon performed well at national chains, but not as well with regional discounters. At conventional discounters other than Kmart and Wal-Mart, only one in five managers named Canon.

Polaroid, which has placed its OneFilm 35mm film at almost every discounter in the country to go with its instant products, was a study in consistency, with almost equal mention rates across the board, while Minolta's performance was affected by Target managers, more than three of 10 of whom mentioned the brand. Minolta was nearly as popular with Kmart managers.

Fuji's strength is with regional discounters, with whom it finished third, but it also has a presence at the majors. For the first time, it was mentioned by Wal-Mart managers (Wal-Mart recently restocked the brand after a 1987 "Made in America" purge), and its stock at Kmart also is rising.

About one in five Target managers mentioned Pentax, which also did well at Wal-Mart and other upscale discounters. However, regional conventional discounters did not mention the brand.

Vivitar placed seventh, due almost entirely to Target managers and regional discounters. Sony, a major gainer in consumer electronics, scored with Target managers, probably due to its popular camcorder line, and Olympus, which bare-

The power behind the

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ly missed the top 10 last year, narrowly edged out Emerson for 10th place, again mostly due to Target managers.

Regionally, there were a few interesting variations. While Kodak was an easy No. 1 nationwide, its share in the Northeast and North Central United States was remarkable; about nine of 10 managers in those regions named Kodak, compared to about three in four over the rest of the country.

The West Coast showed clear preference patterns, particularly toward such higher-end products as Minolta and Canon, each of which was named by a higher percentage of Western store managers than in any other region (nearly half of Western managers named Canon, and about one in three named Minolta). Canon was also a favorite of Southern store managers, mirroring its strong finish with Wal-Mart managers.

Polaroid was strongest on the East Coast, in the Northeast and South, while Fuji performed strongly in its traditional West Coast market and, for the first time, did almost as well in the Northeast, possibly due to its high profile at Ames.

Kodak was an easy No. 1 everywhere, but was overwhelming at Kmart, where nine out of 10 managers named the brand. (DSN photo)

The only other significant variation was the performance of Vivitar, which showed strongly among Northeastern managers—one of five mentioned the brand.

Store managers were asked to name a department where there had been an increase in national brands carried in the past year. Photo, perhaps predictably, received only token mentions, cited by merely 1% of managers.

The average manager named 2.4 brands in response to the survey, a bit above average as a department, suggesting that photo brands tend to be top of mind.

Asked which categories they feel they have influence over in products stocked, managers clearly didn't rate photo very highly. Only one manager, well under 1% of the universe, cited the department, compared to the more than a quarter of managers who felt that they influence both the candy/snacks and H&BA departments. Only greeting cards finished lower in the survey.

Photo, Camera
How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Kodak	90%	84%	76%
Canon	48	60	42
Polaroid	28	40	24
Minolta	28	22	33
Fuji	12	6	2

Source: Discount Store News/Leo J. Shapiro & Associates

Photo, Camera
Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Kodak	93%	76%	90%	78%
Canon	35	45	36	44
Polaroid	40	37	30	23
Minolta	18	19	20	31
Fuji	20	7	14	21
Pentax	11	10	10	6
Vivitar	19	4	9	7
Nikon	8	7	8	4
Sony	2	2	1	6
Olympus	3	1	1	5

Source: Discount Store News/Leo J. Shapiro & Associates

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Brands Paramount in H&BC Department

Health & Beauty Care: Top Brands Vary by Type of Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1991	1990	1991	1990	1991	1990
Crest	44%	40%	43%	40%	54%	39%
Colgate	24	18	24	17	26	22
McNeil Lab	22	15	23	15	17	14
Johnson & Johnson	20	9	21	8	21	14
Suave	14	10	14	11	8	3
Listerine	13	9	14	10	14	6
Procter & Gamble	12	11	12	12	15	8
Clairol	9	7	10	6	6	8
Scope	8	5	8	5	9	5
White Rain	8	9	9	10	8	8

Source: Discount Store News/*Leo J. Shapiro & Associates*

Health & Beauty Care
How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Crest	47%	40%	51%
Colgate	27	26	16
McNeil Lab	22	24	16
Johnson & Johnson	13	36	22
Suave	15	12	4
Listerine	18	14	7
Procter & Gamble	18	10	20
Clairol	18	4	4
Scope	12	2	7
White Rain	3	16	2

Source: Discount Store News/*Leo J. Shapiro & Associates*

Health and beauty care is probably the leading hard lines consumable department, offering discounters the greatest opportunity to establish and reinforce their commitment to name brands and to use this identity to draw more shoppers on a continuous basis.

The importance of brands in merchandising H&BC was evident in *DSN*'s Top Brands Survey, which tracked more labels—70 different names—in this category, almost twice that of the department with the next highest count of brands. The 70 brands marked a 9.4% increase from the number of H&BC products mentioned by discounters in the 1990 study.

This increase denotes the intensive effort that all discounters have been making to feature name brands in their H&BC department, a trend borne out in survey results for the past five years. In this annual tracking, H&BC has always been one of the two departments cited as showing the greatest increases in the number of national brands carried—and this year's survey was no exception. Discounters, for the second year in a row, ranked H&BC No. 1 in this regard.

An important factor in the extensive deployment of brands in H&BC is due to store managers' input in their chains marketing of this department. The managers, able to feel the pulse of their local markets, are the key to their chains' targeting the strongest products, thereby enhancing the category's importance in drawing shoppers. In fact, overall, managers cited H&BC as one of the two categories in which they felt that they had the most influence in merchandising.

The H&BC focus was particularly strong at Kmart. The managers who were surveyed specifically cited H&BC ahead of any other merchandise arena as the department in which they felt they had the most influence. The chain's managers also listed H&BC first as an example of a department offering more name brands than in past years.

The impact of Kmart's focus on H&BC can be gauged from a separate, unrelated *DSN*/Leo J. Shapiro & Associates survey conducted last year as part of the *DSN*'s study of the discounter. Surveyed Kmart customers gave the highest ratings to the H&BA department in new stores, remodeled units and all Kmarts.

Managers overall also pointed to H&BC as the prime example of a department offering more branded merchandise that in the past.

While the 1991 Top Brands survey tallied more H&BC products, the rankings of the three leading names remained constant and overall the same brands made the Top 10 listing. It's the first time in a number of years that at least one product that was ranked lower in the previous survey didn't break into the current Top 10.

The lockhold of Crest and Colgate on the No.1 and No. 2 spots isn't surprising, but McNeil Lab's strong showing—retaining its No. 3 listing—is somewhat unusual. McNeil Lab doesn't produce any product under its own label, but markets two well-know and highly promoted items, Tylenol and Sine Aid. Advertising of products to relieve head discomfort has grown in the past few years due to the introduction of new brands, and McNeil Lab's has, accordingly, made a sustained ad effort—successful according to the Top Brands study—to retain its market share.

Of the Top 3 brands, McNeil Lab, in fact, was the only one to received higher mentions at all three discounters, gaining three percentage points at Kmart, six at Wal-Mart and two at Target. Crest dropped 10 percentage points at Wal-Mart but gained five at Kmart and four at Target, while Colgate, showing the opposite trend, gained eight percentage points at Wal-Mart and declined five at Kmart and seven at Target.

After the Top 3, the overall lineup of brands shifted slightly with Johnson & Johnson moved to No. 4 from No. 6 while Clairol and Scope each gained a notch to No. 8 and No.9 and Suave and Listerine held steady at No. 5 and No. 6. Listerine was one of a trio tied for this listing last year. Dropping down in rankings were Procter & Gamble, which slipped three places to No. 7 and White Rain, off four spots to No. 10.

While the H&BA lineup at conventional discounters mirrored that of the overall listing, the ranking among upscale chains showed some key differences. Johnson & Johnson actually placed third among these retailers, while McNeil Lab, Procter & Gamble and Listerine were fourth through six. Suave, which showed up as No. 5 in the overall and conventional listing due to its merchandising attraction as a low priced product, was tied for No. 9 among upscale chains which aren't as price sensitive as the conventional discounters.

The three leading brands all scored high on the charting of the Top 5 products at the Big Three discounters. But some of the five brands that didn't make the top five actually performed better at the individual chains. Among these five products, double-digit scorers included: Procter & Gamble with a 20% rating at Target; Procter & Gamble, Listerine and Clairol, each with an 18% mark at Kmart, and White Rain, Listerine and Procter & Gamble with 16%, 14% and 10% scores at Wal-Mart.

On a regional basis, the Top 3 brands all gained more citations in each area except for Crest, which was off five percentage points in the West. Listerine, which was the only top 10 brand that failed to gain any mention last year in two regions, the Northeast and West, this year ranked No. 3 in the former and tied for No. 7 in the latter. White Rain, which also didn't garner any citation in the Northeast last year, came in at No. 7 this year, but wasn't mentioned at all in the West.

***The Health & Beauty Care category** is swamped with numerous high profile top performing national name brands.* (DSN photo)

Health & Beauty Care
Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Crest	69%	43%	42%	38%
Colgate	43	24	16	28
McNeil Lab	23	25	18	19
Johnson & Johnson	2	23	30	9
Suave	11	12	13	24
Listerine	36	11	11	10
Procter & Gamble	5	11	15	14
Clairol	1	6	14	11
Scope	24	3	9	10
White Rain	6	10	10	—

Source: Discount Store News/*Leo J. Shapiro & Associates*

Top Stationery Brands Consolidate Their Support

Stationery
How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Mead	55%	62%	76%
Bic	33	18	29
Stuart Hall	8	22	33
Cambridge	25	2	13
Papermate	10	2	2

Source: Discount Store News/Leo J. Shapiro & Associates

Mead and Bic again led the lineup of top performing stationery (exclusive of greeting cards) department brands this year.

DSN's poll of discount store managers showed that overall few retailers are expanding the number of national brands they are carrying in the department, but the top brands are consolidating their positions as strong performers.

Stationery manufacturers have noted the renewed social consciousness of consumers, and companies which stressed environmental and conservation themes certainly benefited from improved sell-through at retail. Mead and Stuart Hall, both with lines featuring products made from recycled paper fibers, significantly improved their standing in the minds of discount store managers.

Mead, the top performing brand in each of the past five years, retained and improved its position at the top of the stationery department list. Nearly one-third more store managers named Mead this year over 1990 as among their top performing brands in the stationery department. With 60% of total mentions, Mead lead runner-up Bic by 34 percentage points even though Bic also snared a larger percentage of mentions this year than last. The company known for its writing instruments re-

(Continued on page 86)

Stationery
Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	1991	1990	1991	1990	1991	1990
Mead	60%	49%	60%	49%	65%	49%
Bic	26	21	25	20	36	30
Stuart Hall	19	8	16	8	28	6
Cambridge	12	7	12	6	10	14
Papermate	6	9	6	10	2	6
Pentel	3	2	3	1	3	9
Scotch/3M	3	1	3	1	2	3
Parker	3	2	2	1	6	3
Norcom	2	3	3	3	—	—

Source: Discount Store News/Leo J. Shapiro & Associates

Stationery
Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Mead	55%	61%	70%	44%
Bic	27	26	25	28
Stuart Hall	22	23	12	18
Cambridge	16	7	9	23
Papermate	9	4	7	6
Pentel	3	2	3	7
Scotch/3M	9	—	5	3
Parker	11	2	3	1
Norcom	—	4	2	—
Hallmark	—	2	2	—

Source: Discount Store News/Leo J. Shapiro & Associates

Greeting Cards' Stability Reflects Uniqueness of Category

The greeting card category showed no change in ranking in *DSN*'s 1991 Top Brands survey, the second year the study has tracked this department.

But the charting did show some significant changes—including the growing dominance of American Greetings as the leading brand—that reflect the unique merchandising of greeting cards.

In greeting cards, discounters don't merchandise a broad assortment of brands. The choice is among the sentiments of the cards, determined by holidays or other occasions.

Discounters rely on one line of cards as the core of their merchandising, with a second and occasionally a third, in subsidiary roles. This marketing approach showed up in the study in a number of ways.

The first was the charting of only five brands, fewest of any category. Second was the unaltered ranking. Third was the citing by surveyed store managers of greeting cards as one of three departments at the bottom of the list of categories in which they had the most influence in merchandising. Fourth was the failure of greeting cards to show up at all as an example of a department in which any increase in the number of brands being carried had occurred.

In the overall listing, American Greetings, the No. 1 brand, widened its lead over No. 2 Ambassador to better than a 3-to-1 ratio compared to last year's 2-to-1 margin. The rankings and gradations among the remaining three players remained the same.

Among conventional discounters, American Greetings increased its lead over Ambassador slightly, to 3-to-1, while the ratio between the two brands remained the same among upscale discounters. The standings of the three other lines remained the same in both the conventional and upscale discounter groupings.

Among the Big Three discounters, American Greetings was named as the top brand by more Kmart and Wal-Mart managers, up seven percentage points at each chain, while its status among Target managers declined by four percentage points. Ambassador's contrary ranking included a nine percentage point jump in mentions by Target managers, with fewer citations by Kmart managers (4%), and Wal-Mart managers (9%).

Sangamon showed the only other significant change as almost three times as many Kmart managers cited the brand, while almost a third less Wal-Mart managers mentioned the line. There was little meaningful movement for the other brands among the three discounters.

American Greetings' stronger showing was also evident in the regional charting—up 15 percentage points in the Northeast, up seven in the South, up six in the North Central region and up 20 in the West. Ambassador's mixed performance saw the brand gaining one percentage point in the West, while dropping five in the North Central region, down six in the South and staying the same in the Northeast.

The only other significant regional changes were Gibson declining by 11 percentage points in the West and Hallmark down eight in the Northeast and off 11 in the West.

Greeting Cards
How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
American Greetings	65%	60%	49%
Ambassador	8	24	51
Gibson	5	6	0
Sangamon	17	2	0
Hallmark	2	6	4

Source: Discount Store News/Leo J. Shapiro & Associates

Greeting Cards
Top Brands Performance by Region

Brand	Northeast	South	North Central	West
American Greetings	77%	56%	59%	64%
Ambassador	13	20	13	17
Gibson	6	5	10	4
Sangamon	0	3	9	5
Hallmark	0	4	6	2

Source: Discount Store News/Leo J. Shapiro & Associates

Greeting Cards: Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	1991	1990	1991	1990	1991	1990
American Greetings	61%	51%	58%	49%	69%	62%
Ambassador	17	20	14	19	31	28
Gibson	7	8	8	9	0	0
Sangamon	5	6	6	7	0	0
Hallmark	4	5	3	5	7	9

Source: Discount Store News/Leo J. Shapiro & Associates

Coleman, Fishing Brands Gain Prominence

Zebco, shown at Kmart, *and other fishing tackle brands like Shimano, Garcia and Daiwa were strong brand performers last year.* (DSN photo)

The lineup of the leading sporting goods top brands, Coleman, Wilson, Zebco and Spalding, remained unchanged in 1991 from last year, but increased their "mind share" among discount store managers.

Zebco closed to within three percentage points of overtaking Wilson, which held second place in the Top 10 rankings. Moreover, Coleman, which had been narrowly swapping first place honors with Wilson over the previous four years, opened a 15-point advantage over Wilson. Coleman drew 54% of total top brand mentions, compared to 39% for Wilson and 36% for Zebco.

Showing the growing importance of the discount store for fishing tackle, Shimano for the first time joined three other fishing tackle brands—Zebco, Garcia and Daiwa, on the Top 10 chart. Discount stores account for 50% to 60% of fishing tackle sales.

Diversified Products, a producer of exercise equipment, edged onto the Top 10 chart in a three-way tie with Daiwa and Rubbermaid. Its entry reflects the growing importance of exercise equipment, such as air bikes, stair steppers and tread mills, in sporting goods.

In a surprising development, given the strength of mountain bike sales, Huffy dropped off the Top 10 list this year to No. 11 and Murray slipped off the chart as well. In 1990, Huffy had held the No. 5 position, while Murray tied with MacGregor and Franklin for 10th place.

A possible explanation for Huffy is that store managers place its bikes in toys, rather than sporting goods. In toys, Huffy ranked No. 7, with 12% of first brand mentions. This year, Igloo took the No. 5 sporting goods slot.

The last five brands on the Top 10 chart were closely clustered. Of 276 managers surveyed, 29 mentioned Garcia as one of their top brands, 27 named Shimano, 24 each cited Daiwa and Rubbermaid, while 23 named DP.

The number of managers who said they carry more sporting goods brands crept up again this year. Of those surveyed, 8% said brands increased, compared to 5% in 1990 and 3% in 1989. Helping to drive that increase, Wal-Mart is phasing out its imported private label, Winner's Choice, in favor of national brands.

In sporting goods, store managers mentioned an average of 3.0 brands as top performers, compared to 2.2 for all departments.

Among significant variations among the Top 3 chains, Coleman made its strongest showing with Wal-Mart managers, drawing 64% of total mentions. That compares with 54.9% from Kmart managers and 42% from Target managers. Regionally, Coleman made its best showing in the Northeast, garnering 63% of all top brand mentions, compared to 48.5% in the North Central region.

Wilson did best among Target managers, drawing 51% of their mentions, compared to 40% of those from Kmart.

Among Western managers, Wilson drew 43% of total mentions, compared to a regional low of 29% in the Northeast.

Conversely, Zebco demonstrated the most strength with managers in both the Southern and North Central regions, drawing 41% of their top brand mentions, compared to 20% in the West.

In a major variation by chain, Zebco accounted for 61% of total mentions from Wal-Mart managers, compared to 18% from Target managers.

"Coleman is the dominant supplier" for the Wal-Mart in State College, Pa., said manager Brent Hardin. "It's very successful here," Hardin said. Opened last fall, the store is located in a mountainous area with plenty of climbing, camping, hunting and fishing.

"We have trouble keeping Coleman on the shelves," Hardin said. "It just blows out."

"We don't carry that much Wilson," he said.

As for Zebco's strong third place showing, "it's a very recognizable brand," Hardin said. "When you think of fishing, you think of Zebco."

"All fishing does real well," Hardin said. "We've had good luck with Shimano. It's done some promotions to highlight its advertising."

DP offers "some good prices on some good items," Hardin said, in particular its Megaflex gym. "It does what Solarflex does but much cheaper.

"The trend toward fitness is much more pronounced than in the past," Hardin said.

But Hardin was puzzled about why Huffy and Murray slipped off the Top 10 list.

"It's been a good year for bikes," Hardin said. "Both Huffy and Murray sell well, and we've had no trouble with either brand."

Mike Stine, the new manager of the Kmart in Mt. Pocono, Pa., also was mystified about Huffy and Murray. "Bikes are selling like there's no tomorrow. We went on automatic replenishment to keep them in stock," he said.

New product introductions, including a 54-quart chest, could account for Igloo's top brand standing, Stine said.

And "strong advertising" helps explain Shimano's jump onto the Top 10, he said.

"All fishing is strong here because it's a resort area," he said. "We have a lot of lakes."

Mike Wardian, customer service manager for Shimano, offers another explanation: the ability to custom design rod and reel combinations for discounters, with distinctive features, cosmetics and packaging, so, say, Wal-Mart and Kmart don't have to compete on the exact same product.

In addition, Shimano's Service Plus Program allows each individual store to place its own orders weekly or daily, Wardian said.

Dennis Jackson, Zebco marketing director, gave credit to a 95% brand awareness, a growing market share and "the most aggressive advertising in the industry" for Zebco's improved standing in 1991.

Coleman president Bob Ring gave much credit to introductions, 30 to 35 a year, for his brand's gain. Those include stoves and lanterns that burn cheaper unleaded auto gas. And Coleman brought back tents, a category it abandoned.

In addition, "our people work diligently to provide on-time and just-in-time deliveries" to service discounters, Ring said. Coleman is on EDI with all major accounts, Ring said.

In merchandising, Coleman is repeating the "Third-Quarter Blitz" it launched last fall, offering a long list of promotional items for fall hunting, tail-gate parties and Christmas, Ring said.

Chris Considine, vice president for sales and promotion at Wilson's Team Sports division, said that the probable reason that Coleman opened its lead over Wilson, particularly among Wal-Mart managers, was its two-week promotion in May and June at Wal-Mart. The promotion "drove the business," Considine said. The introduction of EDI with the Big Three of discounting "definitely helped" Wilson's own standing, he added.

Also, the baseball category "exploded last year" for Wilson, Considine said, giving credit to such new products as the Optima line of softball gloves at a $59 opening price point. The basketball endorsement of the Chicago Bulls' Michael Jordon also helps account for Wilson's top brand ranking.

Sporting Goods Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Coleman	63%	53%	49%	61%
Wilson	29	39	39	43
Zebco	22	41	41	20
Spalding	37	28	30	34
Igloo	22	20	11	11
Garcia	14	8	9	13
Shimeno	6	12	6	10
Daiwa	7	9	4	15
Rubbermaid	8	14	3	4
Diversified	5	13	3	4

Source: Discount Store News/Leo J. Shapiro & Associates

Sporting Goods: Top Brands Vary by Type of Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	1991	1990	1991	1990	1991	1990
Coleman	54%	39%	55%	38%	49%	44%
Wilson	39	33	36	32	51	40
Zebco	36	22	38	24	22	10
Spalding	31	21	28	19	39	33
Igloo	16	4	15	4	20	7
Garcia	10	7	11	7	3	5
Shimeno	9	3	10	4	4	1
Daiwa	8	4	9	5	5	2
Rubbermaid	8	6	7	7	14	6
Diversified	8	3	7	2	10	7

Source: Discount Store News/Leo J. Shapiro & Associates

Sporting Goods How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Coleman	60%	64%	42%
Wilson	40	46	56
Zebco	33	60	18
Spalding	30	30	36
Igloo	12	22	18

Source: Discount Store News/Leo J. Shapiro & Associates

Auto Brand Performance Fragments in '91

OUR LOW PRICE
7.99

Prestone, at this Eagan, Minn., Target came in at No. 3 during this year's survey. (DSN photo)

Automotives: Top Brands Vary by Outlet

Brand	All Discounters		Conventional Discounters		Upscale Discounters	
	1991	1990	1991	1990	1991	1990
Pennzoil	40%	40%	39%	42%	45%	34%
Havoline	35	20	38	22	18	9
Prestone	34	17	34	15	40	15
Quaker State	31	26	31	25	32	30
Turtle Wax	30	9	33	10	17	5
Valvoline	17	15	16	15	22	15
Armor All	16	4	16	4	18	2
STP	15	6	15	6	13	4
Fram	12	25	11	21	24	46
Castrol	9	10	8	8	14	22

Source: Discount Store News/Leo J. Shapiro & Associates

Automotives
How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Pennzoil	33%	46%	49%
Havoline	30	70	16
Prestone	28	52	38
Quaker State	33	30	29
Turtle Wax	30	30	13

Source: Discount Store News/Leo J. Shapiro & Associates

Automotives
Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Pennzoil	14%	30%	47%	66%
Havoline	17	52	25	23
Prestone	30	35	38	28
Quaker State	67	32	26	16
Turtle Wax	35	29	29	34
Valvoline	13	9	31	12
Armor All	22	14	9	31
STP	20	17	18	1
Fram	12	12	13	13
Castrol	15	15	4	1

Source: Discount Store News/Leo J. Shapiro & Associates

Quaker State spun out in its race with Pennzoil for top honors in the top brands competition in 1991 and skidded to fourth place, while Pennzoil held steady at its 1990 pace.

Making the strongest gain of any automotives top brand, Havoline raced ahead to capture a solid No. 2 slot. And Prestone tucked into Havoline's slip stream in the No. 3 slot, doubling its percentage of mentions as a top performing brand by discount store managers.

For the previous four years, Pennzoil and Quaker State had been trading first place, often with wide swings in their leads. In 1987, for instance, Quaker State dominated Pennzoil, garnering 54% of total top brand mentions, compared to 34% for its archrival.

But last year, Pennzoil won, 40% against 28% for Quaker State. In the 1991 race, Pennzoil again garnered 40%, but Quaker State dropped to 31%, behind 35% for Havoline and 34% for Prestone.

What the 1991 survey results suggest, then, is that no one brand owns the category, as Quaker State once did.

As usual, though, motor oils, filters and automotive chemicals controlled the Top 10 list, reflecting the market realities that changing motor oil and radiator coolant and waxing the car are among the few do-it-yourself chores that many owners of modern, complex cars can handle.

Of the 10, five are oils: Pennzoil, Havoline, Quaker State, Valvoline, No. 6 and Castrol, No. 10. Fram, oil and air filters, took the No. 9 position, down from No. 3 last year.

Besides Prestone, another chemical brand that moved up sharply was Turtlewax, closely trailing Quaker State in No. 4 position with 30% of total mentions. Last year, Turtlewax held No. 9 position, with 9% and had just made the Top 10 chart in 1989 with 5%.

Including Armor All, No. 7, and STP, No. 8, automotives chemicals held four of the top 10 spots.

AC-Delco, the only parts brand on the Top 10 list for the past two years, dropped off the Top 10 chart for '91. That again indicates the difficulty that DIY customers have working under the hoods of today's cars.

Increases in the number of automotive brands tapered off this year, with only 2% of store managers saying they had increased the number. That compares with 5% in both 1990 and 1989.

Yet, managers named an average of 3.1 top automotive brands, significantly more than the average of 2.2 for all 21 categories of merchandise.

In the case of Quaker State, Turtlewax and Havoline, their shifts in the top brands standings closely reflect what is happening in the marketplace.

Quaker State has slipped to third or fourth place in monthly market share soundings, while Turtlewax has increased its market share to 40% of waxes and polishes from 31%.

Havoline, in part responding to retail concerns about shelf space and slim profits on oil, abandoned this spring its two oil budget niche, Havoline and Havoline Superior, and introduced a premium priced Formula 3 oil. That frees shelf space and permits a higher penny profit, although it still sells about a nickel a quart less than, say, Pennzoil and Quaker State.

Regional and chain variations for Houston-based Havoline, Texaco's motor oil brand, reflect its dominance in the South, where it is the market leader in several states.

From Southern managers, Havoline got 51.7% of their top brand mentions, compared to 23% out West.

Of Wal-Mart managers, 70% cited Havoline as a top brand, compared to 30% of Kmart managers and 15.6% at Target.

Conversely, Pennzoil is much stronger in the West, 66.4% of top brand mentions, compared to 30.1% in the South.

Pennzoil is more popular at Target, 48.9%, compared to 33.3% at Kmart.

No variations in the strength of Quaker State show up among the top three discounters. But regionally, Quaker State is strongest in the Northeast, 67.3% of total mentions, compared to 25.7% in the North Central region.

Valvoline is far stronger in the North Central region, 31%, than in the South, 8.9%.

Mike Stine, manager of the Wal-Mart in Mt. Pocono, Pa., suggests that advertising could explanation why Quaker State and Havoline are trading ground.

"I haven't seen as much Quaker State advertising this year as I have Pennzoil," Stine said, "but I have seen more Havoline advertising."

"I haven't seen anything dramatic about Prestone advertising" that would account for its increased standing, Stine added.

Havoline and Kmart are among the several co-sponsors of the Mario Andretti racing team.

At Wal-Mart, "Havoline is very strong," said Brent Hardin, manager of the new Wal-Mart store in State College, Pa. "It does a lot of cents off campaigns. We do a lot of special buying from Havoline," Hardin said.

From Pennzoil, Wal-Mart store managers "get a lot of support locally," Hardin said. "We've dealt with a lot more in-store promotions" with Pennzoil than Quaker State, he said.

Dave Harbour, regional coordinator for Havoline in its Formula 3 introduction, gives credit to "a better job of communicating with the retail trade" and an increase of more than 50% in consumer advertising for the new Havoline as reasons for its increased standing.

Eliminating the two-tier Havoline line in favor of a single oil simplified a retailer's lot, Harbour said. In surveys of retailers, Havoline found they wanted a simpler product line, he said.

The DIY oil market shrank about 10% to 15% last year because of the recession and the Gulf War, said an oil industry marketing source who requested to remain nameless.

Havoline was on a fast growth curve because it filled a market niche as the lowest priced national brand, the marketing executive said. Now that Havoline has abandoned that niche, its growth curve has flattened, he said, with Valvoline picking up market share from Texaco.

Pennzoil enjoys good rapport with discounters because it operates a dedicated sales force to work with the mass merchants and their buying staffs, he added.

Another plus for the brand is that it began sponsoring stock car racing this year, putting its sponsorship money on driver Michael Waltrip.

A return to more normal pricing for anti-freeze helps explain Prestone's gain in the top brands rankings, said Rick Bowen, vice president, marketing.

A shortage of glycol two years ago pushed the price of Prestone above $9 a gallon. "That turned people off," Bowen said.

Prestone now is selling as low as $4.46 a gallon at Wal-Mart.

In another move to gladden the hearts of discounters, Prestone has dropped consumer rebates, Bowen said. Instead, it is offering STP oil additives and protectants and Prestone Super-Flush to promote anti-freeze purchases.

At Turtlewax, new product introductions such as Finish 2001 this year and Liquid Crystal in 1990, helped Turtlewax increase its overall share of the wax market, such Chuck Tornabene, president of consumer products division.

For the first time, Turtlewax promoted three of its wax products on TV, boosting advertising support by 20%, Tornabene said.

In addition, its Wheel Brite wheel cleaner line is gaining distribution, Tornabene, with the addition of Kmart.

Stanley, B&D Command Dominant Positions

HARDWARE
2 97

The hardware category *was one of the most volatile this year with three newcomers to the Top 10 list and three dropoffs.* (DSN photo)

Stanley and Black & Decker continued to slug it out for the No. 1 place in *DSN's* annual Top Brands survey, all the while increasing their hammerlock on the hardware category.

Stanley edged out B&D in the 1991 results, garnering 77% of mentions as a top performing brand in the hardware department, while B&D landed 74% of the total.

In comparison, B&D beat out Stanley in 1990 by the same margin of 3 percentage points, 71% to 68%.

The overall increase in the percentage figures for 1991 indicates that discount store managers increasingly have Stanley and B&D on their minds when asked about top brands.

In 1988, for example, Stanley got just 56% of top brand mentions, while B&D got 54%.

Out of 276 discount managers who responded to the '91 survey regarding hardware, 230 mentioned Stanley as one of their top brands, while 221 cited B&D. Showing how much the top two predominate, No. 3 on the Top 10 charts was Glidden, with 13% of the total.

The other seven brands on the Top 10 range from Skil, 6%, to Bulldog (home improvement hardware) 2%.

The hardware category demonstrated the most volatility of any of the 21 merchandise categories.

The newcomers to this year's Top 10 are: Sherwin Williams, which owns Dutch Boy; Rubbermaid, thanks to diversification into tool boxes last year and mail boxes and recycling containers this year; and Bull Dog. Dropping off were Shop Vac, McCullough and Royal tools.

One explanation for the increased dominance of Stanley and B&D is that consumers in a recession are taking less of a chance on unfamiliar brands and are sticking to the better known ones. Another factor at work may be the maturity of the category, with the two key brands settling into increasingly dominant positions in the discount store channel of trade.

Despite the commanding position of the Top 2, 9% of managers questioned this year said they had increased the number of hardware brands, the same percentage as in 1990 but trailing the 14% in 1989.

In hardware, managers cited an average of 2.2 top brands, in line with the overall store average for all categories.

Stanley's strength ranged pretty much across the board, both regionally and among the Top 3 chains, without displaying any startling variations.

In contrast, B&D made its best showing in its Northeast home region, with 84.5% of managers there naming it a top brand, compared to 65.5% of managers in the West.

And Target managers preferred B&D over Stanley, giving it 91% of their total mentions, compared to 80% for Stanley.

In comparison, Kmart managers gave Stanley 83%, compared to 77% for B&D.

At Wal-Mart, 90% of its managers mentioned Stanley, compared to 80% for B&D.

Glidden drew most of its strength from Kmart, with 23 of 73 managers, or 30%, cited it as a top brand, compared to six of 79 mangers, or 8%, at Wal-Mart. In addition, 24% of Target managers consider Glidden a top brand.

Although a distant third, Glidden's increased strength in the position suggests the increasing important of home decorating to discount store hardware department managers.

Garnering 9% of top brand mentions in 1987, Glidden almost dropped out of the Top 10 chart in 1989, with just 1% of mentions. It improved its standing to 7% in 1990, followed by a 6 percentage point gain this year.

At the Wal-Mart store in State College, Pa., store manager Brent Hardin said neither Stanley nor B&D stands out. "There is no significant differences in sales" or other differences in how they perform, Hardin said.

But "Glidden seems to be more popular with our customers," Hardin said.

At the Kmart in Mt. Pocono, Pa., store manager Mike Stine said "there is a fine line of availability" of B&D power tools, such as cordless screwdrivers and other high-demand, high-pilferage items. "We have trouble keeping in stock."

Kmart is expanding on B&D's line of power tools accessories, such as saw blades and drill bits to a 22½-foot run from 15½-feet, Stine said.

Kmart has expanded its Stanley sku's by taking on its new accessory line of door hardware, Stine said, and the increases might account for Stanley's improved standing.

Stine also cited the Stanley bulk bin displays for tools and hardware introduced this April as another possible explanation.

"Glidden is highly promotional at the counter level," Stine said. "It always is running sweeps.

"Glidden offers good products at good prices."

Stanley gives credit to its new advertising image shift, promoting itself as a maker of professional quality tools, rather than tools for the do-it-yourself consumer, for its improved performance, said Bob Widham, group vice president, hand tools and home improvement products.

In addition, Stanley continues to improve its fill rate to 97% this year from 95%, Widham said.

Responding to suggestions from discounters, Stanley came out with its dump bin and cut case merchandisers for tools and hardware, Widham said.

In new products, Stanley has diversified into mechanics hand tools, supplying both a made in U.S.A. line and an import line that also carries the Stanley brand name, Widham said. And Stanley is now offering a complete line of tool boxes and chests.

"The move is toward national brands and away from private label," he said.

Stanley is leading the industry on EDI (electronic date interchange), Widham claimed. "EDI capability keeps turns higher," Widham said.

B&D is showing its commitment to the discount store class of trade with new product introductions, said Joe Galli, vice president of sales and marketing for U.S. power tools. The 20 new products over the past three years, include Snippies—battery powered electric scissors—priced at $9.95 as a Christmas stocking stuffer, and the Ranger, a more powerful cordless drill at $39.99.

The new product pace will pick up in 1991, he said.

To promote the brand name, B&D will increase Christmas TV advertising by 50%, over 1990, Galli said.

Advertising support creates a market for the brand," Galli said, "and increases discount store traffic."

B&D also has been aggressively expanding its accessory line, Galli said, adding more than 1,000 sku's over the past three years.

B&D's point-of-sale displays have been well received among discount store managers, he added as another explanation for its B&D's strong showing.

Frank Filmeck, Glidden sales manager, gives credit for its improved standing to superior service, having a sales staff dedicated to the mass market and enjoying the widest distribution among discount stores of any paint brand. Carried in about 4,000 discount stores, "Glidden is the most widely distributed paint brand in discount stores," he said.

Continuing its inroads among discounters, Glidden just began appearing in Clover stores, as well as Boscov's, a promotional department store chain that operates several discount stores called Ports.

Hardware
How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Stanley	83%	90%	80%
Black & Decker	77	80	91
Glidden	30	8	24
Skil	—	10	—
Dutch Boy	13	4	—

Source: Discount Store News/Leo J. Shapiro & Associates

Hardware: Top Brands Vary by Outlet

Brand	All Discounters 1991	All Discounters 1990	Conventional Discounters 1991	Conventional Discounters 1990	Upscale Discounters 1991	Upscale Discounters 1990
Stanley	77%	68%	77%	68%	75%	68%
Black & Decker	74	71	72	70	88	75
Glidden	13	7	13	6	18	14
Skil	6	5	7	5	2	4
Dutch Boy	5	5	6	5	2	1
Lucite	4	2	4	2	3	4
Sherman Williams	4	—	4	—	—	—
General Electric	3	4	2	3	9	12
Rubbermaid	2	1	1	1	10	4
Bull Dog	2	1	2	2	—	—

Source: Discount Store News/Leo J. Shapiro & Associates

Hardware: Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Stanley	76%	74%	80%	76%
Black & Decker	84	72	77	66
Glidden	18	10	14	18
Skil	3	5	9	5
Dutch Boy	21	3	2	5
Lucite	10	4	3	4
Sherman Williams	—	3	4	5
General Electric	4	3	2	4
Rubbermaid	—	2	2	1
Bull Dog	—	3	—	3

Source: Discount Store News/Leo J. Shapiro & Associates

Brand Names Help To Bolster Sagging Toy Sales

Super Saver
Super Saver
Fisher-Price Roller Skates
$12.99
SUPER SAVER
123 Roller Skates

This year, Fisher-Price, No. 1 on the Top Brands list in toys since 1987, received nearly two-thirds (62%) of all mentions. (DSN photo)

Toys: How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
Fisher-Price	65%	62%	71%
Mattel	62	58	67
Playskool	43	28	36
Little Tikes	12	62	16
Hasbro	17	22	27

Source: Discount Store News/Leo J. Shapiro & Associates

Toys: Top Brands Performance by Region

Brand	Northeast	South	North Central	West
Fisher-Price	63%	58%	71%	56%
Mattel	53	61	62	61
Playskool	44	33	39	38
Little Tikes	40	38	26	4
Hasbro	17	23	13	15
Lego	19	13	13	20
Milton Bradley	33	11	15	4
Huffy	15	16	12	4
Teenage Mutant Ninja Turtles	7	5	3	11
Nintendo	3	5	9	1

Source: Discount Store News/Leo J. Shapiro & Associates

Without a blockbuster toy or theme to bolster the sagging toy business, brand names have become more important than ever to retailers.

While many have long insisted that they are open to new products from fledgling manufacturers, the proof is missing.

A trip to any toy store or toy department bears out the fact that nationally known (and advertised) brands have more than the lion's share of designated shelf space.

In fact, the dominion that nationally advertised name brand toys have at retail reaches well beyond the confines of product packaging and is popping up on aisle signs and in customized point-of-purchase displays throughout toy departments. This pushes aside a smaller company's ability to find an audience by denying it shelf space, or overwhelming the meager amount allotted to it.

As a result, *DSN*'s 1991 Top Brands Survey reveals that the growth of national brand toys was extremely small in the past year (2%) as opposed to 6% for the average rate of brand growth for all departments in a discount store.

In addition, store managers noted that the average number of brands deemed "performers" was 2.9 in toys, a small increase over last year's 2.4 and well above the 2.2 item average for all departments.

So entrenched are the top toy labels that store managers have little influence over the contents in toys. Fewer than one in 10 managers (7.9%) said they can influence the contents of their toy department.

For example, Toys "R" Us has extensive POP programs with a number of major toy manufacturers including Lego, Mattel (Disney and Barbie) and Nintendo. Kmart, which recently revamped its toy department into a power area, also has major presentations of the above mentioned brands plus Little Tikes (a new 45-foot program), Revell-Monogram, GI Joe and Rose Art.

Other retailers have made similar efforts to let customers know they have a full compliment of toys from the best known national companies.

Overall, the top performing brand in toys was Fisher-Price. This year, however, Fisher-Price, which has held the No. 1 spot on *DSN*'s Top Brands list in toys since 1987, got a larger number of responses than it did a year ago, receiving nearly two-thirds (62%) of all mentions. Mattel, which has been in the No. 2 spot for five years, now rivals Fisher-Price in store managers' minds more than ever before.

This year, six of 10 store managers said Mattel products were top performers, up from 42% lat year.

Rounding out the top 10 best performing brands in the toy department were, in order: Playskool, 37%; Little Tikes, 29%; Hasbro, 18%; Lego, 15%; Milton Bradley, 13%; Huffy, 13%; Teenage Mutant Ninja Turtles, 6%; and Nintendo, 6%.

Playskool and Milton Bradley are Hasbro companies.

Thus, the three dominant toy labels on the 1991 survey are Hasbro, Fisher-Price and Mattel, which is about the way the industry views itself.

Store managers mentioned 27 toy labels as top performers this year. Notably absent from the list was Galoob, a troubled toy manufacturer. Galoob is trying to improve its industry standing with this year's doll entry, Baby Face, already well-received by retailers and consumers.

Rounding out the top 20 toy brands, in descending order were: Murray; Kenner; Tonka; Tyco; Coleco; Parker Brothers; Sega; Matchbox; Ertl; and Hot Wheels.

Interestingly, Teenage Mutant Ninja Turtles, with a mere 6% of store manager mentions, turned up again this year on the Top 10. The response level, however, was only half of last year's response level. Products bearing their images are licensed to many companies.

In 1990, retailers of all kinds said that Ninja Turtle action figures were the top selling toy. Now, while still a big seller, the energy level for Turtles' toys is waning, most every toy retailer agrees.

Nintendo, which made the Top 10 this year in the tenth position, reflects the confusion retailers have over the electronic game. Is it a CE item or a toy? This year the answer is both. (Nintendo came in eighth on the CE chart.)

And strangely enough, Nintendo appears on the Top 10 toy list in a down year for the brand. Despite retailers' frustration over adequate supply and low margins, Nintendo still performs well enough at retail to be deemed a top performing brand in two categories.

By chain, Fisher-Price was mentioned by store managers more often as a top performing brand than any other toy label. However, like the overall results, Mattel received nearly equal mentions with F-P.

By percentage, Target managers named F-P a top performer more often than managers at Kmart and Wal-Mart. Seven out of 10 Target managers (71%) named F-P a top performer compared to 65% of Kmart managers and 62% of Wal-Mart managers.

Two-thirds of Target managers said Mattel was a top performer, making it the No. 2 toy brand at the Minneapolis-based chain. Playskool was third with more than a third of the mentions, followed by Hasbro with more than a fourth of the responses. Huffy and Little Tikes—a company which is gaining ground at retail—were tied for fifth place.

So strong is the ascent of Little Tikes at retail that Wal-Mart managers named it a top performer as often as they did Fisher-Price, making the two brands tie for the top spot on the toy list. More than six out of 10 managers (62%) called F-P and Little Tikes, a Rubbermaid company, top sellers in the toys category.

Mattel was third among Wal-Mart buyers with nearly as many mentions (58%), followed by Playskool and Huffy in fifth. Hasbro was sixth.

After F-P, Kmart managers mentioned Mattel (61.7%) as a top brand. In third place was Playskool with more than four in 10 mentions. Lego, named by one-third of Kmart managers as a top performer, was in fourth; Milton Bradley came in fifth.

Toys: Top Brands Vary by Outlet

Brand	All Discounters 1991	All Discounters 1990	Conventional Discounters 1991	Conventional Discounters 1990	Upscale Discounters 1991	Upscale Discounters 1990
Fisher-Price	62%	57%	62%	54%	67%	72%
Mattel	60	42	59	44	66	35
Playskool	37	32	36	29	35	49
Little Tikes	29	21	30	22	22	19
Hasbro	18	13	17	14	26	10
Lego	15	6	15	5	17	9
Milton Bradley	13	14	13	15	17	12
Huffy	12	10	13	12	13	3
Teenage Mutant Ninja Turtles	6	13	5	13	5	14
Nintendo	6	3	6	3	5	3

Source: Discount Store News/Leo J. Shapiro & Associates

Cambridge performed strongly this year and was mentioned by 12% of store managers, up 5 percentage points on the survey. (DSN photo)

Mead, Bic Lead Stationery Brands

(Continued from page 74)

ceived 26% of total mentions, up 5 percentage points from last year.

Stuart Hall, which recently reported that its Green Leaf line of recycled office and school supplies has been upgraded from 60% to 100% post-consumer waste paper, capped a two-year surge in the top brands rankings with a third place finish. In 1989, the Kansas City, Mo.-based stationery manufacturer received mentions as a top brand from just 3% of retailers surveyed in the *DSN*/Leo J. Shapiro & Associates poll. Last year, 8% of retailers named Stuart Hall as a top performing brand in the department.

In the just completed survey, the number of managers that named Stuart Hall more than doubled, to 19%, as the brand climbed up two rungs on the Top 10 standings in the department.

Cambridge brand products, a division of Mead, also performed strongly in the 1991 Top Brands Survey. Cambridge was mentioned by 12% of store managers, up 5 percentage points and two notches on the Top 10 ranking.

Rounding out the Top 10 were Papermate, Pentel, Scotch/3M, Parker, Norcom and Hallmark (the latter made the list despite its lack of distribution in the mass market under its own label).

Brands just missing the top 10 included Rubbermaid, Crayola, and Scripto.

Rubbermaid and Crayola were on the Top 10 list last year. Rubbermaid's office products line apparently does not receive the same top of mind awareness among store managers as its housewares products, which regularly lead that category.

Crayola suffered an even bigger drop-off: last year 10% of retailers mentioned the popular coloring products brand compared to just 1% this year. The brand was ranked third in 1990.

The average manager named 1.6 brands, a bit below average as a department, suggesting that only a few top stationery brands have developed a high degree of top of mind awareness of store managers.

At the top chains, there were a few changes in the lineup of top stationery brands. For instance, the top three performers, according to number of mentions, at Kmart were Mead, Bic and Cambridge. At Wal-Mart, the same three were mentioned most often but Cambridge had significantly more mentions than at Kmart. Mead got its strongest support among Target managers, as did Stuart Hall.

As far as regional performance is concerned, Mead was strongest in the North Central region and the South, and held its narrowest lead over the other brands in the West. However, Mead's Cambridge division was stronger in the West than in other regions.

Bic was a convincing No. 2 in all four regions, while Stuart Hall was stronger in the Northeast and South than in the North Central region and the West. Papermate and Parker made their best showings among Northeast store managers.

Asked which categories they feel they have influence over in products stocked, managers clearly didn't rate stationery very highly. Only 3% of the managers surveyed cited the department as the one in which they have the most influence on buying decisions, compared to the more than 25% who felt that they influence both the candy/snacks and H&BC departments. Only children's apparel, personal care appliances, photo, camera and greeting cards finished lower in the survey.

The Industry Spoke... and SHOPA Listened.

SHOPA...a newly formed School and Home Office Products Association of retail buyers and manufacturers

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"Providing what customers want is at the heart of any business. Retailers have asked for an earlier show in a 'friendlier' location for years. Now we can provide what they have wanted with this Association-sponsored event."*—Rex Miller, Mead Corporation*

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—Charlie O'Neil, Stuart Hall

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New Products, Price Wars Fuel Category

Price wars among food vendors in the past year have produced excellent values for shoppers and enhanced retail traffic. However, the cost has been paid with vendor profits.

For example, Frito-Lay, a Pepsico subsidiary, announced last month that it would layoff 1,800 people to save itself $100 million, keep prices stable and fund new product introductions, the lifeblood of the business. Industry experts expect similar measures from other companies.

Manufacturers are being pressed hard to introduce new items to keep products exciting to consumers. Recently, Pepsi unveiled a new logo in an effort to groom a younger audience of loyal consumers.

According to responses in *DSN*'s Top Brands Survey, store level managers noted that new introductions in the food, candy and snacks category are among the highest in a discount store.

When asked to provide an example of a category that has experienced an increase in name brand products, food, candy and snacks ranked ninth.

Overall, the Top 10 brands in food, candy and snacks received more manager mentions this year as top performers than they did in 1990, indicating the category is growing, satisfying consumer demands and fulfilling expectations.

Topping the list this year is M&M/Mars. Nearly half (47%) of all managers surveyed for food, candy and snacks mentioned either M&M, Mars or M&M/Mars as a top performing brand.

Two in 10 managers named "Mars" a top performer. "M&M" garnered one in 10 responses and "M&M/Mars," also a separate response, received nearly two in 10 manager mentions this year.

Rounding out the Top 10 performing brands in food, candy and snacks in 1991 were, in order: Frito-Lay, 38%; Planters, 36%; Hershey's, 33%; Brach's, 18%; Nabisco, 17%; Sather, 17%; Pepsi, 15%; and Little Debbie and Coke, each with 12% of manager mentions.

Among conventional and upscale discounters the lineup varied slightly.

For example, Sather, No. 7 among all discounters, was fifth among conventional discounters. Coke, 10th among all discounters and at conventional discount stores was fifth at upscale discounters, pushing Sather off the Top 10.

Generally, the results for the top four brands—M&M/Mars, Frito-Lay, Planters and Hershey's—were so close that the few percentage points separating them are irrelevant. These results indicate a very strong consumer franchise for each company and brand loyalty.

In fact, managers named 39 brands as top performers this year, an increase of six brands. They include Werthers, Eagle, Russell Stover, Herr, Orville Reddenbacher, Bachman, Kitchen Fresh, Cadbury and Cracker Jacks. In addition, two in 10 managers named brands other than these 39 top performers, further indicating strong regional and local labels.

So strong was the performance of brands beyond the Top 10 that even those labels that fell in the ranking charted an increase in the number of manager mentions.

For example, Coca-Cola, which came in No. 7 last year, dropped to 10th on the current survey but received more mentions than a year ago. Ocean Spray, No. 9 in 1990 and No. 12 this year, almost doubled its rate of mentions. Fisher, No. 10 in 1990, fell to 13th this year despite an increase in manager mentions.

Doubling Mention Rates

Top brands other than Ocean Spray that at least doubled their rate of mention this year included Sather, Pepsi, Little Debbie, Coke, Keebler, Nestle, Kraft, and Reese's, a Hershey's label.

By chain, M&M/Mars received more mentions by managers as top performers at Kmart and Target.

At Wal-Mart, as well as upscale discounters such as Caldor and Bradlees, Frito-Lay—generally considered the nation's No. 1 snack food brand—was the top performing brand, according to manager responses.

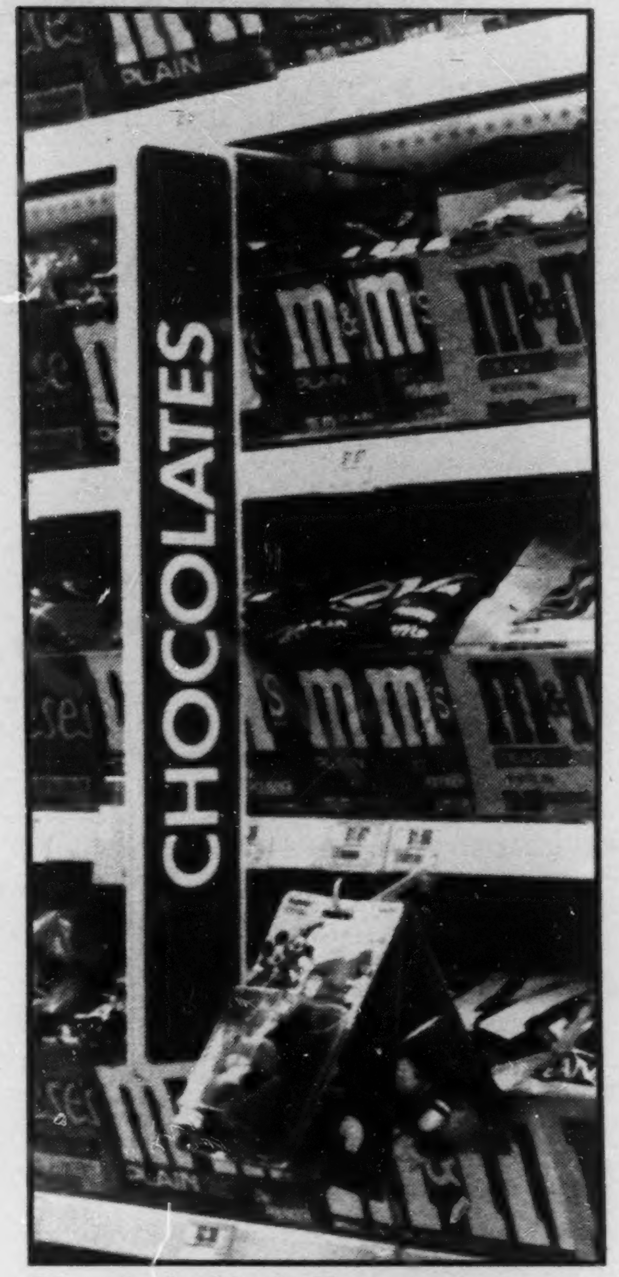
In fact, Wal-Mart managers named Frito-Lay, makers of Frito's brand corn chips and Lays potato chips, the runaway brand leader. Nearly two-thirds (62%) of Wal-Mart managers called Frito-Lay a top performer followed by M&M/Mars (36%). Hershey's and Pepsi were tied for third at Wal-Mart, with each having received three in 10 mentions. Planters was fifth with 26% of the responses. Little Debbie was a close sixth, 22%.

Coke's best showing was at upscale discounters, including Target, where it was fifth in each of the three areas. Coke placed seventh at Kmart and ninth at Wal-Mart.

The list of top performing brands in food, candy and snacks at Target mirrored the overall brands list except for the No. 5 spot. At Target, managers gave equal weight, one in five responses, to Nabisco, Pepsi and Coca-Cola.

Brach's, the No. 5 brand on the overall list, was mentioned as a top performer by managers in the "all conventional discounters" category. Its best positioning on individual top brands lists was seventh, at Wal-Mart. It was tied for ninth at Target with Keebler. Based on manager responses, Brach's placed 11th at Kmart.

At Kmart, M&M/Mars and Planters were named as top performing brands by more than half the surveyed managers, 53% and 52%, respectively. Hershey's was third with 43%, followed by Sather, 37%, and Frito-Lay, 30%.



Nearly half of all managers *surveyed mentioned M&M/Mars as a top performing brand.* (DSN photo)

Food, Candy, Snacks
How Industry's Top 5 Fare at Chains

Brand	Kmart	Wal-Mart	Target
M&M/Mars	53%	36%	58%
Frito-Lay	30	62	47
Planters	52	26	40
Hershey's	43	30	27
Brach's	5	20	13

Source: Discount Store News/Leo J. Shapiro & Associates

Food, Candy, Snacks
Top Brands Performance by Region

Brand	Northeast	South	North Central	West
M&M/Mars	69%	46%	39%	51%
Frito-Lay	31	42	43	23
Planters	55	30	33	44
Hershey's	47	27	28	46
Brach's	11	19	16	22
Nabisco	2	16	17	27
Sather	10	17	17	18
Pepsi	9	22	12	8
Little Debbie	10	12	16	8
Coke	15	15	9	8

Source: Discount Store News/Leo J. Shapiro & Associates

Food, Candy, Snacks: Top Brands Vary by Outlet

	All Discounters		Conventional Discounters		Upscale Discounters	
Brand	1991	1990	1991	1990	1991	1990
M&M/Mars	47%	33%	45%	30%	53%	47%
Frito-Lay	38	34	37	35	48	30
Planters	36	27	36	27	41	23
Hershey's	33	29	32	31	29	18
Brach's	18	13	17	14	14	11
Nabisco	17	16	16	16	20	14
Sather	17	3	20	4	1	—
Pepsi	15	5	15	4	16	9
Little Debbie	12	3	13	3	7	4
Coke	12	7	11	6	21	13

Source: Discount Store News/Leo J. Shapiro & Associates

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Kmart Is Right on Track With Renewal Plan

New Prototype, Strategy Helps Strengthen Chain

(Continued from page 1)

"I sense some concern from the financial community that we are going to take that $1 billion and leverage it with debt to make a big acquisition. Please believe me. This is not our intention; not at all," said Antonini.

He said the funds will be used to ensure that Kmart's planned store opening program will be completed on schedule and to put Kmart in the position to make timely, favorable and opportune purchases of real estate locations as they become available.

Antonini explained that the recent acquisitions of 17 Price Savers warehouse clubs and 51 Osco Drug Stores cannot be considered large acquisitions. Instead, those deals are examples of Kmart being able to take advantage of unique opportunities to make timely purchases of real estate locations.

"Neither acquisition will dilute our earnings in the first year and both will be cash flow positive in 1991. These are what we refer to as line extension acquisitions," he said.

Antonini said Kmart has no plans for international expansion (excluding Puerto Rico and Canada) although he said the company would evaluate each opportunity.

Later this month, Kmart will open two stores in Puerto Rico, bringing its total on the island to 14 stores.

Antonini reviewed the projects completed under the five-year plan:

- In 1990, 208 stores were refurbished, expanded, relocated or built. Another 450 to 500 projects will be completed in 1991. The last 200 projects will be completed by Nov. 1.
- Through the first half of 1991, and including 1990, 141 smaller stores have been enlarged to the full-size format (88,000 square feet to 104,000 square feet). A total of 620 stores will be enlarged by the end of 1995. Antonini said that sales have increased at an annual rate of 11% at newly enlarged stores.
- In the first 18 months of the modernization program, 61 stores have been relocated with 264 additional relocations planned for a total of about 325 over the six-year period from 1990 through 1995.
- Seventy full-size Kmarts have been opened through the first half of this year (including 1990). A total of 390 new full-size stores are planned, therefore 320 more stores will be open from the present through 1995.

Antonini said the modernization program will increase Kmart square footage (including Canada) by 25%. He expects sales per square foot of mature stores to reach $225 by 1995 and new stores to reach $250 per square foot after their third or fourth year of opening.

In addition to the store modernization program, Antonini cited several reasons why Kmart executives remain optimistic about the future. They include: positive feedback from customers about new stores; stronger support and closer working relationships with suppliers; better cost controls and streamlining of operations; and healthier corporate culture with a "can-do" attitude.

Other critical factors, Antonini said, include: competitive every day low prices; the positive impact of technology; centralized merchandising as well as automatic replenishment.

As an example of new technology designed to provide better customer service, Kmart just announced the test of ShopperTrak, a customer traffic monitoring system, in its Westwood, N.J., store. "Our entire renewal program is based on providing our customers with the service and price they want in attractive stores with efficient, friendly sales associates. This technology will tell us to send additional sales assistance whenever we detect a special need in any area of the store."

Joseph Antonini

Antonini also summarized the status of the five specialty chains:

- Pace, he said, will continue to entice customers with the convenience of its fresh food program which is being rolled out chainwide. In the first half of 1991, Pace sales were up 71%, with comparable store sales up 16%.
- Waldenbooks, said Antonini, had its best first half since joining the corporation. Sales were up 7%; comp stores sales gained 5.5%. Target marketing, through the development of its preferred reader program, should have an "impressive payoff," he said.
- Builders Square, which he said now calls itself a home center store, not a do-it-yourself lumberyard, has refined its merchandise mix to emphasize home decor and home-related consumables in an effort to attract more female customers. Sales through the first half were up 9.2%, with comp store sales up 7%.
- Sports Authority is "on a roll," Antonini said, "succeeding where others have not with its better and broader mix of top name brands, good prices, and megastore dimensions." Through the first half of 1991, sales were up 132%, with comp stores up 17%.
- Pay Less Drug stores, said Antonini, "has been leveraging the special strength of their highly sophisticated distribution system over a broader base of stores, particularly in California." Sales through the first half were up 12.5%, with comp store sales up 4.7%.

Best Previews Look Of the Future

(Continued from page 1)

opened in 1979, is the first of five in the Philadelphia market that will be brought up to the Diamond Showcase prototype this fall.

At the rate of about 15 a year for the next five years, Best plans to remodel 75 more out of a store total now down to 160, following its pullout from Dallas and Houston.

In its last bout of remodeling in 1985-1986, Best remodeled about 50 stores to its Store of Tomorrow prototype. The balance of 30 stores are either too small or too irregular to be considered for the Diamond Showcase look, he said.

The essence of the Diamond look is the jewelry section brought to the front of the store from the right side and split into two triangular areas.

Whether customers turn left, turn right or walk straight ahead when they come into the center entrance, they have to pass jewelry.

And Best hopes that proximity will help it emerge from Chapter 11 bankruptcy faster by boosting jewelry to about 25% of sales from an undisclosed level.

Previously, Best carpeted the jewelry department and lowered the ceiling over it to set it apart psychologically from the rest of the store, Riley said. But the new look eliminates those visual barriers.

"Too many of our customers don't cross-shop departments," Riley said. "We hope the new design will cause more cross shopping, especially into jewelry."

A major goal is to make sure customers get their goods within five minutes of placing orders. To make sure that happens, customers can either place their own orders and check the availability of merchandise computer terminals placed at two locations in the store or place them at a staffed order desk that greets them as they enter. As customers pay for their goods at the checkout counter, their merchandise will be rolling down the conveyor belt from the warehouse above, Riley said, eliminating one of three steps that took time: ordering, paying and receiving.

"We know from a test at Falls Church, Va., that we can do it in five minutes," Riley said. The store features a bank-type master waiting line, so customers can go to the next available cashier.

Another step that would speed checkout, scanning, is taking lesser priority to remodeling, said Ross Richardson, company spokesman. "It's a question of finances," he said. "Scanning requires a huge investment, and other things have priority."

Best also is committed to better in-stock positions, Riley said, by increasing inventories and making sure promotional staffs coordinate better with buyers.

Slick graphics in the Best Department store tradition are the hallmark of the store design from Miller-Zell, Atlanta. Those graphics will go into all stores now, Riley said without waiting for a complete remodel.

Another physical change in the store layout is to open it up by tearing out a wall that formerly set apart the toys, sporting goods and juvenile section in a separate room to the right of jewelry.

Those items now are located in a self-service section to the rear of the store. That section features tile floors and an open ceiling to give a warehouse look to the self-service categories, Riley said.

Actually, the store carries the exact same merchandise and just looks bigger than its 60,000 square feet, he said, because it is more open.

For the first time, home office gets more floor space in its own department separate from home furnishings.

Riley declined to disclose how much remodels cost but did say it's less than half the cost of 1985-1986 remodels because no construction is required, just new graphics and fixtures.

"Obviously, we hope for increased overall sales," Riley said. The return on investment "will be fairly rapid" but take at least a year, he said.

Remodeling took about six weeks, and the stores remained open during renovation so the impact on sales was minimal, Riley said.

The remodeled store involves no technological innovations, Richardson said, just a better presentation.

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Vol. 30, No. 19 October 7, 1991

Kmart First To Test ShopperTrak System

(Continued from page 6)

$600 on a single unit basis.

The primary sensor transmits information via a modem to the store's POS system.

Kmart envisions tying ShopperTrak into its KIN (Kmart Information Network) II system to achieve a number of objectives. These include:

- Proactively knowing the number of shoppers in a store and in each department to provide better customer service by sending more clerks to busier areas and having more checkout lines opened before long lines develop.
- Relating traffic in individual departments to actual sales to determine how many customers actually make purchases. The information can be used to determine the number of browsers and the effectiveness of various programs designed to convert them to customers.
- Analyzing traffic patterns to develop better store layouts.
- Relating traffic to TV, print and in-store promotional programs to measure the effectiveness of different ads.
- Gauging the impact of merchandising programs on drawing in traffic and increasing sales.
- Determining how long customers visit and the effects of better customer service and other efforts to increase the time spent in the store.

ShopperTrak can track traffic for any time period that a retailer wants. It's expected that half-hour trackings will be used because chains also break out sales on a 30-minute basis.

Besides tracking traffic, Datatec is developing technology to track weather and integrate the information with ShopperTrak. This will enable a retailer to know specifically how weather impacts traffic and sales.